

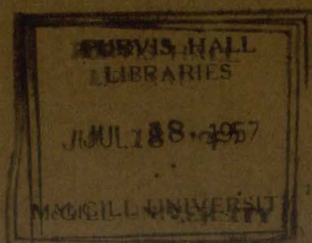
ANNUAL REPORT

— OF THE —

CANADIAN NATIONAL RAILWAY SYSTEM

FOR THE YEAR ENDED DECEMBER 31, 1932

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DIRECTORS

† *S. J. HUNGERFORD	MONTREAL, QUE.
† *V. I. SMART	OTTAWA, ONT.
TOM MOORE	OTTAWA, ONT.
HON. M. KENNEDY	BREADALBANE, P.E.I.
JAMES T. CUMMING	NEW GLASGOW, N.S.
*GEORGE HENDERSON	MONTREAL, QUE.
† *J. EDOUARD LABELLE, K.C.	MONTREAL, QUE.
*LUCIEN MORAUD, K.C.	QUEBEC, QUE.
*JOHN D. PALMER	FREDERICTON, N.B.
*F. K. MORROW	TORONTO, ONT.
GORDON F. PERRY	TORONTO, ONT.
*W. A. BOYS, K.C.	BARRIE, ONT.
J. FYFE-SMITH	VANCOUVER, B.C.
R. BYRON HORNER	BLAINE LAKE, SASK.
JAMES RAMSEY	EDMONTON, ALTA.
W. J. CHRISTIE	WINNIPEG, MAN.

GENERAL OFFICERS

S. J. HUNGERFORD	ACTING PRESIDENT	MONTREAL
R. P. ORMSBY	SECRETARY	MONTREAL

OPERATION AND CONSTRUCTION DEPARTMENTS

S. J. HUNGERFORD	VICE-PRESIDENT	MONTREAL
A. J. HILLS	Assistant to Vice-President	
C. B. BROWN	Chief Engineer, Operation	
D. CROMPIE	Chief of Transportation	
C. S. GZOWSKI	Chief Engineer Construction	
C. E. BROOKS	Chief of Motive Power and Car Equipment	

PURCHASING AND STORES DEPARTMENTS

R. C. VAUGHAN	VICE-PRESIDENT	MONTREAL
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FINANCIAL AND ACCOUNTING DEPARTMENTS

D. C. GRANT	VICE-PRESIDENT	MONTREAL
J. B. McLAREN	Comptroller	
C. D. COWIE	Treasurer	

TRAFFIC DEPARTMENT

A. FRASER	ACTING VICE-PRESIDENT	MONTREAL
R. W. LONG	General Freight Traffic Manager	
C. W. JOHNSTON	General Passenger Traffic Manager	

LEGAL DEPARTMENT

E. E. FAIRWEATHER, K.C.	GENERAL EXECUTIVE ASSISTANT AND COUNSEL	MONTREAL
R. H. M. TEMPLE	General Counsel	

EXPRESS DEPARTMENT

G. E. BELLEROSE	GENERAL MANAGER	MONTREAL
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CANADIAN NATIONAL TELEGRAPHS

D. E. GALLOWAY	ASSISTANT VICE-PRESIDENT	TORONTO
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SLEEPING, DINING, PARLOR CARS AND HOTEL DEPARTMENTS

W. PRATT	GENERAL MANAGER	MONTREAL
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INDUSTRIAL DEPARTMENT

W. PHILLIPS	MANAGER	MONTREAL
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BUREAU OF ECONOMICS

S. W. FAIRWEATHER	DIRECTOR	MONTREAL
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GENERAL PUBLICITY DEPARTMENT

W. S. THOMPSON	DIRECTOR	MONTREAL
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BUREAU OF STATISTICS

E. P. MALLORY	DIRECTOR	MONTREAL
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COLONIZATION AND DEVELOPMENT DEPARTMENTS

DR. W. J. BLACK	DIRECTOR	MONTREAL
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MEDICAL DEPARTMENT

DR. J. McCOMBE	CHIEF MEDICAL OFFICER	MONTREAL
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REGIONAL OFFICERS

WESTERN REGION

A. E. WARREN	VICE-PRESIDENT	WINNIPEG
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CENTRAL REGION

W. A. KINGSLAND	GENERAL MANAGER	TORONTO
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ATLANTIC REGION

W. U. APPLETON	GENERAL MANAGER	MONCTON, N.B.
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GRAND TRUNK WESTERN RAILROAD

C. G. BOWKER	VICE-PRESIDENT AND GENERAL MANAGER	DETROIT
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CENTRAL VERMONT RAILWAY

E. DESCHENES	MANAGER AND COMPTROLLER	ST. ALBANS, VT.
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EUROPEAN AFFAIRS

P. A. CLEWS	EUROPEAN MANAGER	LONDON, ENG.
A. H. CONEYBEARE	EUROPEAN SECRETARY AND TREASURER	LONDON, ENG.

The Executive Committee of the Board of Directors is indicated by *
The Finance Committee of the Board of Directors is indicated by †

Montreal, Que., March 15th, 1933

To the Honourable R. J. Manion, M.D., M.P.,
Minister of Railways and Canals,
Ottawa, Ont.

Sir:—

On behalf of the Board of Directors, I have the honour to transmit report of operations and affairs of the Canadian National Railway System for the calendar year 1932. The accounts have been examined by Chartered Accountants representing, and appointed by, the Dominion Government, and their certificate is endorsed on the balance sheet.

The report this year presents an income statement covering the all-inclusive Canadian National System. This will avoid any possibility of confusion arising through the presentation of two separate income statements, one for Eastern Lines, and the other for the balance of the System, and complies with the request of members of the Select Standing Committee of the House of Commons on Railways and Shipping, and also of the Royal Commission on Transportation. However, in accordance with the requirements of the Maritime Freight Rates Act, the deficit on Eastern Lines is shown as a separate item.

WORKING RESULTS

Combined Income Statement of the System, including Eastern Lines:

	1932	1931	Increase or Decrease
Railway Operating Revenues.....	\$161,103,594.45	\$200,505,162.00	\$39,401,567.55 Dec.
Railway Operating Expenses.....	155,208,160.97	199,312,995.43	44,104,834.46 Dec.
Net Revenue.....	5,895,433.48	1,192,166.57	4,703,266.91 Inc.
Taxes.....	5,204,948.96	5,774,074.22	569,125.26 Dec.
Other Income Accounts—Net Debit.....	4,732,124.96	700,742.25	4,031,382.71 Inc.
Interest due Public-Funded Debt.....	56,965,278.87	55,587,145.02	1,378,133.85 Inc.
*Net Income Deficit exclusive of Interest on Government Loans.....	61,006,919.31	60,869,794.92	137,124.39 Inc.

*Includes \$6,479,159.38 Deficit applicable to Eastern Lines, compared with \$8,624,287.65 in 1931.

Close budgetary control of capital expenditures and operating expenses, additional scrutiny of expenditures by the Finance Committee of the Directors, and reduction in working capital have made it possible to keep the total cash requirements of the System within the budgeted estimate as presented to Parliament. This result has been achieved despite the fact that the revenues of the System declined \$39,401,567 as compared with the previous year. It was made possible by the loyalty and continuing efforts of all concerned to secure the maximum of economy. The item "Other Income Accounts—Net Debit" which shows an increase of \$4,031,382 was largely influenced by discount on Canadian funds in the United States, and by a decrease in dividend income from affiliated companies.

The year 1932 witnessed a continuance of the world's great economic depression. The revenues of the railways, in common with those of other enterprises throughout the world, suffered such severe declines that the most strenuous efforts were required to cope with the situation. The necessity for drastic curtailment of expenditure was fully appreciated by the Canadian National System management, and strict economy was practised in all departments. The ratio of operating expenses to operating revenues was 96.34 in 1932 as compared with 99.41 in 1931.

Since 1928, when an all-time peak in railway revenues in this country was touched, the trend of railway earnings has been steadily downward. In 1929 Canadian National Railways' gross revenues on the all-inclusive System showed a decline of \$13,053,649 from 1928; in 1930 the decline from the previous year amounted to \$48,264,281; 1931 saw a decline of \$50,462,939 from 1930, and in 1932 the decline was \$39,401,568, as compared with 1931. The total receipts in 1932 were \$161,103,594 as compared with \$312,286,031 in 1928, a decrease of \$151,182,437 or 48 per cent. For every dollar which the Canadian National received in 1928, it received only 52 cents in 1932. To meet the situation, economies have been effected through the elimination of unprofitable services, the reduction and re-organization of the supervisory staff, closing of stations and office buildings, laying off a large number of employees, including many previously carried on part-time, and by such other measures as could be made effective without bearing too heavily upon the communities served. At the present time the staff is approximately 31 per cent below the 1929 level. The total payroll,

on the other hand, is 39 per cent below the 1929 figure. The average number of employees and amount of compensation they received, from 1929 to 1932 inclusive, is as follows:—

Year	Average Number of Employees	Compensation
1929.....	111,383	\$177,037,682
1930.....	101,046	159,980,994
1931.....	91,416	139,784,630
1932.....	76,616	106,911,608

In addition to staff reductions, all employees of the System were subjected in 1932 to decreases in rates of pay. The economy effected by these decreases in rates of pay reduced the payroll account by more than \$10,000,000 per year. The supervisory payroll of the Canadian National System was considerably reduced during 1932 through the consolidation of operating districts and divisions; by the abolition of a number of positions, and by a general readjustment of salaries, so that the cost of supervision of the Canadian National System is currently at a level approximately 35 per cent below that of 1929.

The elimination of a great many unprofitable passenger services has been brought about by a severe curtailment of passenger train miles. The reductions in passenger train miles and passenger car miles from 1929 were as follows:—

	Passenger Train Miles	Passenger Car Miles
Reduction in 1930.....	480,863	8,066,770
Further Reduction in 1931.....	3,021,779	26,028,053
Further Reduction in 1932.....	4,726,832	23,850,207
Total Reduction from 1929.....	8,229,524	57,945,030

Some idea of the extent of these reductions may be gained by realizing that they are equivalent to wiping out practically one-third of the passenger train service operated in 1929.

When the general upturn in business comes, the Canadian National System will show, in increased net earnings and income, its power of recovery.

A statement of the receipts and expenditures of the System for the ten year period, 1923 to 1932 inclusive, will be found on page 18.

REVENUES

Total operating revenues in 1932 showed a reduction of \$39,401,568, as compared with the previous year, a decrease of 19.1%, which is closely in conformity with the results on the more important railways of the North American continent.

The decline in freight revenues amounted to \$28,236,631 (18.96%) made up as follows:—

	Year 1932	Year 1931	Decrease	%
Products of Agriculture.....	\$36,605,774	\$39,293,428	\$2,687,654	6.84
Products of Animals.....	7,846,461	8,995,076	1,148,615	12.77
Products of Mines.....	17,228,974	19,903,752	2,674,778	13.44
Products of Forests.....	7,876,342	12,451,388	4,575,046	36.74
Manufactures and Miscellaneous.....	51,157,457	68,307,995	17,150,538	25.11
Total.....	\$120,715,008	\$148,951,639	\$28,236,631	18.96

Passenger revenues were \$17,258,919, a decrease of \$5,940,817 (25.61%) as compared with the year 1931.

The decrease in passenger traffic was largely an effect of the depression and closely followed the general trend of business. Normal everyday movements dropped off due to lessened business activities. Tourist traffic decreased considerably as shortage of funds, in some cases, and uncertainty of outlook in others kept people at home. Early in the year, jointly with the Canadian Pacific, a plan was adopted by which excursions were operated alternately by the two railways, chiefly between Canadian points.

Express revenue was \$9,051,420, a decrease of \$1,975,827 (17.92%) as compared with the year 1931. The greater part of the decrease was in the movement of first and second class express traffic, caused by existing depressed business conditions and increased motor truck competition. Revenues from fish traffic declined to a considerable extent. Fruit traffic, on the whole, showed a slight improvement.

Telegraph revenue was \$3,676,339, a decrease of \$1,022,427 (21.76%) compared with the year 1931. The decrease was ascribable to decreased business activity.

OPERATING EXPENSES

Examination of the operating expenses shows the results of successive measures of economy. In 1929 operating expenses were reduced by \$751,401 as compared with 1928, and in 1930, by which time it was evident that the depression was not to be shortlived, operating expenses were reduced by \$26,692,739 from those of the previous year; in 1931 there was a reduction of \$29,489,433 from 1930 and in 1932 a further reduction of \$44,104,834 from the 1931 figures, the operating expenses of 1932 being \$101,000,000 under 1928.

The reduction of \$44,104,834, or 22%, in railway operating expenses in 1932, as compared with 1931, was divided as between:—

Labour.....	\$27,257,959 or 61.80%
Material and Miscellaneous.....	16,846,875 or 38.20%

Despite the drastic economies put into effect, the operating efficiency of the Canadian National System was maintained. In general, the indices of operating efficiency, by which the larger railway systems gauge their performance, show few declines and generally show improvement. Some of the more important indices follow:—

	1932	1929	1923
Gross tons per freight train	1,462	1,474	1,311
Net tons per freight train.....	624	642	596
Gross ton miles per freight train hour.....	23,231	19,775	15,445
Freight train miles per freight train hour (speed).....	15.9	13.4	11.8
Fuel consumed per 1,000 gross ton miles (pounds).....	118	125	146
Fuel consumed per passenger car mile (pounds).....	13.6	13.3	15.1

CAPITAL EXPENDITURES

Capital expenditures were severely curtailed and were limited to those which could not be avoided. Net capital expenditures during the last four years were:—1929—\$88,499,908; 1930—\$66,560,354; 1931—\$34,287,067 and for 1932—\$799,158.

New rolling stock purchased or built during the year amounted to \$128,434, the units acquired being 1 locomotive and 3 units of work equipment. Of these, 1 locomotive and 2 cars were constructed in shops of the National System.

Retirements of equipment during the year consisted of 61 locomotives, 2,729 freight cars, 78 passenger cars and 359 work equipment units. The original cost of this retired equipment was \$4,218,937, of which amount \$3,473,898 was charged to the year's operating expenses and salvage value charged to material account.

The practice of charging to Operating Expenses the cost of treating ties with preservatives was discontinued on Canadian Lines and the cost of such treatment from January 1, 1932, is charged to capital account.

PURCHASES AND STORES

Material and supplies inventories were reduced during the year by \$5,396,670. The prices of commodities purchased by the Railway were somewhat lower than in the previous year.

LAND SALES

During the year, 8,120 acres of Canadian National Railways' lands were sold for \$68,645, an average of \$8.45 per acre, as compared with 8,349 acres sold at an average price of \$11.66 in 1931.

HOTEL OPERATIONS

Hotel operations showed a profit before taxes of \$70,392 in 1932, as compared with a loss of \$76,660 in 1931. This result was achieved despite a decline of \$590,700 in gross revenue.

NORTHERN ALBERTA RAILWAYS

The Canadian National Railways are joint owners with the Canadian Pacific of the Northern Alberta Railways Company. The operations of this property during 1932 resulted in a net loss of \$1,033,267, as compared with a loss of \$1,142,354 in 1931, of which amount the Canadian National's proportion amounted to \$516,633, as against \$571,177 in 1931.

Under agreement of purchase dated February 6, 1929, the Canadian National Railway Company became liable for one half the purchase consideration for these railways, the total purchase consideration being as follows:

Cash payment, July 1, 1929.....	\$5,000,000.00 (since paid)
do. June 1, 1933.....	5,000,000.00
do. June 1, 1939.....	5,580,000.00
Total.....	\$15,580,000.00

and in addition the assumption of principal and interest of securities of the Edmonton, Dunvegan and British Columbia Railway Company, viz., First Mortgage 4% Debenture Stock due 16th February, 1942, \$7,000,000 and First Mortgage 4½% Gold Bonds due October 22nd, 1944, \$2,420,000, a total of \$9,420,000, or a total for cash payment and securities of \$25,000,000.

As the assets and liabilities of the Northern Alberta Railways Company are not included in the consolidated balance sheet of the Canadian National System, it is considered advisable to state that the future commitment of the Canadian National in this respect is \$10,000,000.

UNEMPLOYMENT RELIEF

During the year all projects undertaken as unemployment relief in accordance with the provisions of the Unemployment Relief Act 21 Geo. V Chapter 1, were completed. Under the provisions of the Unemployment and Farm Relief Act 21-22 Geo. V, Chapter 58, the Company received in 1932, 1,918,091 ties which had been purchased by the Government.

FINANCE

No public financing was done by the Canadian National Railways during the year 1932.

During the year retirement of funded debt amounted to \$11,940,039.

PENSION AND SUPERANNUATION

Under the provisions of the Canadian National Railways' Pension Act (non-contributory), there were retired during the year 734 employees. The number deceased in 1932, who were in receipt of pension, totalled 226. Total number receiving pension under this Act was 3,001 at the end of 1932.

Under the provisions of the Grand Trunk Railway of Canada Superannuation and Provident Fund Association, a contributory fund which was closed to new members in 1908, 38 members of the staff were retired during the year 1932. The number of members deceased during the year was 6. The number in receipt of superannuation under this Fund was 144 at the close of the year.

Under the Intercolonial and Prince Edward Island Railways Employees' Provident Fund Act (a contributory plan, closed to new members in 1929), there were retired during the year 223 members of the staff. The number deceased during the year who were receiving superannuation under this Act totalled 87. The number in receipt of superannuation from this fund totalled 1,536 at December 31st, 1932.

SALARY AND WAGE NEGOTIATIONS

The 10% deduction applied by agreement to the running trades and railway telegraphers in December 1931 was continued throughout 1932. During the year negotiations were carried on with various labour organizations leading to agreements for a reduction of 10% in the basic rate of wages on Canadian Lines. On May 1, 1932 the reduced time plan of half day per week applicable to clerical forces, maintenance of way employees and other miscellaneous employees was cancelled, and the rates of pay of these employees made subject to a reduction of 10%.

On the United States Lines of the Canadian National, the Chicago agreement was put into effect on February 1, 1932. This agreement called for a reduction of 10% in the wages of all railway employees.

During the year 1931, official salaries were reduced by 10%, and in 1932 a survey was made of all salaried positions paying \$2,700 or more per year. A reduced salary scale was put into force, the percentage reduction being heavier in the higher paid positions. In addition, the reduced salaries were further made subject to a 5% deduction.

The following is a comparison of the number of personnel and the payroll expense for the years 1932 and 1931:

	1932		1931			Decrease	
	No.	Amount	No.	Amount	No.	Amount	%
Officers and Staff Assistants.....	744	\$3,968,985	854	\$4,892,246	110	\$923,261	18.9
Clerical and General Employees.....	12,530	18,092,786	14,571	22,188,337	2,041	4,095,551	18.5
Mtce. of Way and Structures Em- ployees.....	17,733	19,546,648	21,621	24,992,559	3,888	5,445,911	21.8
Mtce. of Equipment Employees.....	20,607	24,170,561	25,758	35,422,263	5,151	11,251,702	31.8
Transportation Employees.....	9,686	13,667,610	11,079	17,080,824	1,393	3,413,214	20.0
Train and Engine Employees.....	9,970	20,655,535	11,623	27,059,781	1,653	6,404,246	23.7
Telegraph Employees.....	2,964	3,318,159	3,290	4,021,724	326	703,565	17.5
Express Employees.....	2,382	3,491,324	2,620	4,126,896	238	635,572	15.4
Less: Charged Other Accounts.....		7,218,725		12,833,788		5,615,063	43.8
Operating Labour.....	76,616	\$99,692,883	91,416	\$126,950,842	14,800	\$27,257,959	21.5

Most of the reductions in salaries and wages were not in effect for the entire year 1932. A full year's saving would be much greater than is shown in the above table.

EXECUTIVE OFFICERS RETIRED

SIR HENRY W. THORNTON, K.B.E., Chairman and President
MR. GERARD RUEL, K.C., Vice-President Legal Affairs

The announcement of the death of Sir Henry Thornton was received by the Board of Directors at its meeting of March 14, 1933. A resolution of deep regret on the part of the Directors and of sympathy for the family of Sir Henry Thornton was passed.

On behalf of the Board and the Executive, I desire to thank all officers and employees for their loyal and efficient services during the past year. I also take this opportunity of recording my appreciation of the service rendered to the Company by the members of the Board of Directors. Their work has been of a difficult character, and the efforts which they have put forward have been unsparing.



Acting President.

CONSOLIDATED BALANCE SHEET

ASSETS			
INVESTMENTS:			
Investment in Road and Equipment.....		\$2,136,895,346.38	
Improvements on Leased Railway Property		3,532,069.80	
Sinking Funds:			
System Securities at par.....	\$16,734,042.38		
Other Assets at Cost.....	3,117,448.37	19,851,490.75	
Deposits in lieu of Mortgaged Property Sold:			
System Securities at par.....	\$955,000.00		
Other Assets at Cost.....	3,943,846.58	4,898,846.58	
Miscellaneous Physical Property.....		59,650,506.04	
Investments in Affiliated Companies.....		29,045,428.02	
Other Investments:			
System Securities at par.....	\$254,000.00		
Other Assets at Cost.....	2,037,378.65	2,291,378.65	\$2,256,165,066.22
CURRENT ASSETS:			
Cash.....		\$7,644,257.88	
Special Deposits.....		6,298,654.93	
Traffic and Car-Service Balances Receivable.....		627,877.67	
Net Balances Receivable from Agents and Conductors.....		3,427,483.16	
Miscellaneous Accounts Receivable.....		6,350,418.09	
Dominion Government—Operating Deficit on Eastern Lines.....		887,075.04	
Material and Supplies.....		34,565,178.89	
Interest and Dividends Receivable.....		825,494.84	
Rents Receivable.....		53,973.65	
Other Current Assets.....		543,091.86	61,223,506.01
DEFERRED ASSETS:			
Working Fund Advances.....		\$192,160.85	
C.N.R. Insurance Fund:			
System Securities at par.....	\$2,723,672.53		
Other Assets at Cost.....	8,684,908.91	11,408,581.44	
Other Funds.....		19,606.25	
Other Deferred Assets.....		7,136,882.35	18,757,230.89
UNADJUSTED DEBITS:			
Rents and Insurance Premiums paid in Advance.....		\$235,914.98	
Discount on Capital Stock.....		189,620.00	
Discount on Funded Debt.....		15,396,007.45	
Other Unadjusted Debits.....		4,018,989.15	19,840,531.58
			<u>\$2,355,986,334.70</u>

The accounts of the System are stated in Canadian currency—Sterling and U.S. currencies being converted at the par of exchange. Depreciation Accounting is applied to rolling stock owned by United States Lines and to certain fixed property and Retirement Accounting on the basis of original cost to other units of property on the System.

AT DECEMBER 31, 1932.

LIABILITIES

STOCKS:		
Capital Stocks owned by Dominion Government.....	\$265,628,338.70	
Capital Stocks owned by Public.....	4,585,225.00	\$270,213,563.70
GOVERNMENTAL GRANTS:		
Grants in Aid of Construction.....		17,406,770.35
LONG TERM DEBT:		
Funded Debt Unmatured.....		1,264,517,167.08
LOANS FROM DOMINION OF CANADA:		
Interest on above, accrued but unpaid.....	\$695,723,206.77 388,930,381.23	1,084,653,588.00
DOMINION OF CANADA EXPENDITURES FOR		
CANADIAN GOVERNMENT RAILWAYS:		
Road and Equipment included in System Investment a/c.....	\$388,398,092.75	
Working Capital.....	16,771,980.54	405,170,073.29
CURRENT LIABILITIES:		
Loans and Bills Payable.....	\$820,673.00	
Traffic and Car-Service Balances Payable.....	2,561,446.00	
Audited Accounts and Wages Payable.....	9,544,898.04	
Miscellaneous Accounts Payable.....	2,105,417.51	
Interest Matured Unpaid.....	7,884,301.87	
Funded Debt Matured Unpaid.....	24,096.95	
Unmatured Interest Accrued.....	11,052,419.71	
Unmatured Rents Accrued.....	402,250.16	
Other Current Liabilities.....	774,575.91	35,170,079.15
DEFERRED LIABILITIES:		
Other Deferred Liabilities.....		4,587,819.28
UNADJUSTED CREDITS:		
Tax Liability.....	\$2,147,190.61	
C.N.R. Insurance Reserve.....	11,408,581.44	
Accrued Depreciation—Road..... U.S. Lines	2,717,264.66	
Accrued Depreciation—Equipment..... U.S. Lines	12,984,205.59	
Accrued Depreciation—Miscellaneous Physical Property..... U.S. Lines	1,297,283.83	
Other Unadjusted Credits.....	2,543,992.59	33,098,518.72
CORPORATE SURPLUS or Deficit:		
Additions to Property through Income and Surplus.....	\$682,427.86	
Funded Debt Retired through Income and Surplus.....	587,465.33	
Sinking Fund Reserves.....	997,625.74	
Appropriated Surplus.....	2,666,379.21	
Profit and Loss Balance—Deficit.....	763,765,143.01	758,831,244.87
		<u>\$2,355,986,334.70</u>

J. B. McLAREN,
Comptroller.

CERTIFICATE OF AUDITORS

We have examined the books and records of the Companies comprising the Canadian National Railway System for the twelve months ended the 31st December, 1932. The investments in Road and Equipment appearing in the books of the Companies as at the 1st January, 1923, were accepted by us.

We certify that, in our opinion, the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the affairs of the System as at the 31st December, 1932, and we further certify that, in our opinion, the relative Income and Profit and Loss Accounts for the year ended the 31st December, 1932, are correctly stated.

GEORGE A. TOUCHE & CO.,
Chartered Accountants.

Dated at Montreal
15th March, 1933.

PROFIT AND LOSS STATEMENT

	Year 1932	Year 1931
CREDITS:		
Profit on Road and Equipment Sold.....	\$34,765.06	\$45,721.82
Unrefundable Overcharges.....	4,361.47	4,929.45
Donations.....	53,480.13	64,632.26
Miscellaneous Credits.....	512,832.96	803,828.34
Total Credits.....	<u>\$605,439.62</u>	<u>\$919,111.87</u>
DEBITS:		
Surplus applied to Sinking and Other Reserve Funds.....	\$846.25	\$1,906.00
Surplus Appropriated for Investment in Physical Property.....	22,575.61	14,193.19
Miscellaneous Appropriations of Surplus.....	112,465.64	52,306.47
Loss on Retired Road and Equipment.....	1,994,337.63	2,642,396.37
Miscellaneous Debits.....	379,407.19	802,654.60
Adjustment of Land Surplus Account.....	2,898,421.90	3,171,728.31
Total Debits	<u>\$5,408,054.22</u>	<u>\$6,681,372.94</u>
Net Profit and Loss Items <i>Debit</i>	\$4,802,614.60	\$5,762,261.07
Net Income <i>Deficit</i>	<u>96,532,459.35</u>	<u>93,513,419.17</u>
System Net <i>Loss</i>	\$101,335,073.95	\$99,275,680.24
Deduct—Eastern Lines Deficit paid by Dominion Government.....	6,635,844.76	8,712,762.30
do Eastern Lines Interest on Government Loans.....	626,413.21	626,413.21
System Net <i>Loss</i> exclusive of Eastern Lines Deficit.....	<u>\$94,072,815.98</u>	<u>\$89,936,504.73</u>
Balance at January 1st. "Debit balance".....	669,692,327.03	579,755,822.30
do December 31st. do do	<u>\$763,765,143.01</u>	<u>\$669,692,327.03</u>

J. B. McLAREN,
Comptroller.

The above is the Profit and Loss Account referred to in our certificate dated 15th March, 1933.

GEORGE A. TOUCHE & CO.,
Chartered Accountants.

INCOME STATEMENT

(Including Eastern Lines)

	Year 1932	Year 1931
Railway Operating Revenues.....	\$161,103,594.45	\$200,505,162.00
Railway Operating Expenses.....	155,208,160.97	199,312,995.43
Net Revenue from Railway Operations.....	\$5,895,433.48	\$1,192,166.57
Railway Tax Accruals.....	\$5,204,948.96	\$5,774,074.22
Uncollectible Railway Revenues.....	141,062.74	44,511.96
	\$549,421.78	\$4,626,419.61
Revenues from Hotel Operations.....	\$2,360,929.60	\$2,951,630.25
Expenses of Hotel Operations.....	2,290,538.04	3,028,290.02
Taxes on Hotel Property.....	129,873.80	116,650.34
Net Income <i>Deficit</i> from Hotel Operations.....	\$50,482.24	\$193,310.11
Rent from Locomotives.....	\$161,584.57	\$210,630.16
Rent from Passenger-Train Cars.....	224,156.73	250,661.10
Rent from Floating Equipment.....	360.00	349.07
Rent from Work Equipment.....	139,616.18	238,731.29
Joint Facility Rent Income.....	1,533,076.66	1,569,718.21
Income from Lease of Road.....	47,442.69	39,012.20
Miscellaneous Rent Income.....	1,029,914.36	1,057,624.74
Miscellaneous Non-Transportation Property.....	116,088.91	124,648.29
Dividend Income.....	161,654.02	600,497.40
Income from Funded Securities.....	1,265,104.36	1,255,900.48
Income from Unfunded Securities and Accounts.....	504,439.87	3,028,670.17
Income from Sinking and Other Reserve Funds.....	1,069,423.52	1,106,732.97
Contributions from Others.....	100,000.00	100,000.00
Miscellaneous Income.....	3,053,649.95	1,110,970.33
	\$9,406,511.82	\$10,694,146.41
Gross Income.....	\$9,896,451.36	\$5,874,416.69
Hire of Freight Cars—Debit Balance.....	\$453,878.41	\$693,381.02
Rent for Locomotives.....	32,045.86	41,449.07
Rent for Passenger-Train Cars.....	270,368.22	315,619.34
Rent for Floating Equipment.....	5,388.70	13,616.45
Rent for Work Equipment.....	10,625.82	39,049.85
Joint Facility Rents.....	2,294,995.35	2,097,901.73
Rent for Leased Roads.....	1,350,197.16	1,328,621.76
Miscellaneous Rents.....	724,168.56	309,744.03
Miscellaneous Tax Accruals.....	126,549.96	113,773.73
Separately Operated Properties—Loss.....	1,654,747.38	1,805,340.88
Interest on Unfunded Debt.....	467,189.24	1,362,972.78
Amortization of Discount on Funded Debt.....	907,515.45	852,966.51
Miscellaneous Income Charges.....	5,559,594.34	2,105,380.24
Miscellaneous Appropriations of Income.....	80,827.35	77,249.20
	\$13,938,091.80	\$11,157,066.59
Net Income <i>Deficit</i> before Interest.....	\$4,041,640.44	\$5,282,640.90
Interest due Public on Long Term Debt.....	56,965,278.87	55,587,145.02
Net Income <i>Deficit</i> before Interest on Government Loans.....	\$61,006,919.31	\$60,869,794.92
Interest on Dominion Government Loans.....	35,525,540.04	32,643,624.25
Net Income <i>Deficit</i>	\$96,532,459.35	\$93,513,419.17

J. B. McLAREN,
Comptroller.

The above is the Income Account referred to in our Certificate dated 15th March, 1933.

GEORGE A. TOUCHE & CO.
Chartered Accountants.

OPERATING REVENUES

	Year 1932	Year 1931
Freight.....	\$119,301,168.03	\$147,066,639.00
Freight—Government contribution Maritime Freight Rates Act 1927.....	1,413,839.87	1,885,000.00
Passenger.....	17,258,919.12	23,199,737.00
Excess Baggage.....	99,991.45	133,198.09
Sleeping Car.....	1,024,902.54	1,525,462.39
Parlor and Chair Car.....	157,689.20	243,928.74
Mail.....	3,408,669.00	3,731,562.00
Express.....	9,051,420.67	11,027,248.00
Other Passenger—Train.....	51,573.45	65,805.75
Milk.....	597,685.74	612,955.32
Switching.....	1,713,244.87	2,201,841.06
Special Service Train.....	36,436.60	61,477.25
Other Freight Train.....	687.20	2,539.04
Water Transfers—Freight.....	5,802.35	8,080.80
Water Transfers—Passenger.....	14,062.21	20,139.13
Water Transfers—Vehicles and Live Stock.....	35,774.85	41,062.25
Water Transfers—Other.....	1,269.65	1,270.30
Dining and Buffet.....	726,402.88	1,155,748.05
Restaurant.....	9,519.85	7,159.80
Station, Train and Boat Privileges.....	96,585.27	125,494.22
Parcel Room.....	35,660.87	48,143.80
Storage—Freight.....	128,565.18	165,226.63
Storage—Baggage.....	15,526.16	22,706.02
Demurrage.....	193,717.59	283,022.18
Telegraph and Telephone.....	3,676,338.93	4,698,765.94
Grain Elevator.....	246,845.22	296,771.19
Power.....	9,055.71	2,548.95
Rents of Buildings and Other Property.....	301,360.57	309,730.07
Miscellaneous.....	1,183,972.18	1,225,178.16
Joint Facility—Credit.....	352,032.66	391,615.67
Joint Facility—Debit.....	45,125.42	54,894.80
Total.....	<u>\$161,103,594.45</u>	<u>\$200,505,162.00</u>

SUMMARY OF OPERATING EXPENSES

Maintenance of Way and Structures.....	\$30,130,324.66	\$42,256,228.55
Maintenance of Equipment.....	32,216,989.37	43,746,870.12
Traffic.....	5,703,493.97	7,529,481.33
Transportation.....	78,029,131.22	95,852,140.20
Miscellaneous Operations.....	1,188,391.07	1,851,629.57
General.....	8,157,543.51	9,065,210.10
Transportation for Investment—Credit.....	217,712.83	988,564.44
Total.....	<u>\$155,208,160.97</u>	<u>\$199,312,995.43</u>

MAINTENANCE OF WAY AND STRUCTURES EXPENSES

	Year 1932	Year 1931
Superintendence.....	\$2,993,059.53	\$3,726,652.51
Roadway Maintenance.....	4,678,422.46	5,167,694.82
Tunnels and Subways.....	55,566.25	77,797.44
Bridges, Trestles and Culverts.....	1,728,160.53	2,081,371.01
Ties.....	2,739,874.34	7,039,492.02
Rails.....	928,065.02	2,032,009.05
Other Track Material.....	1,219,151.70	1,772,664.43
Ballast.....	63,474.47	360,043.11
Track Laying and Surfacing.....	8,326,369.46	10,837,599.84
Right of Way Fences.....	262,901.59	407,124.49
Snow and Sand Fences and Snow Sheds.....	66,399.57	72,254.31
Crossings and Signs.....	366,305.73	590,613.21
Station and Office Buildings.....	1,051,843.08	1,612,278.18
Roadway Buildings.....	102,510.99	161,774.98
Water Stations.....	384,824.73	387,932.52
Fuel Stations.....	127,774.04	159,664.27
Shops and Enginehouses.....	883,188.54	1,107,206.52
Grain Elevators.....	15,749.16	10,065.01
Storage Warehouses.....	1,093.61	
Wharves and Docks.....	221,698.63	158,371.44
Coal and Ore Wharves.....	1,254.56	4,314.72
Gas Producing Plants.....	95.49	67.16
Telegraph and Telephone Lines.....	1,180,211.98	1,409,889.89
Signals and Interlockers.....	395,175.74	548,777.42
Power Plant Buildings.....	8,996.01	12,372.90
Power Substation Buildings.....	62.65	160.32
Power Transmission Systems.....	8,100.66	9,771.87
Power Distribution Systems.....	45,973.31	70,942.17
Power Line Poles and Fixtures.....	11,728.51	4,294.83
Miscellaneous Structures.....	148.79	2,654.09
Paving.....	36.24	89.10
Roadway Machines.....	180,798.28	228,180.18
Small Tools and Supplies.....	399,200.80	490,061.44
Removing Snow, Ice and Sand.....	1,435,014.91	1,604,837.72
Assessments for Public Improvements.....	40,749.21	38,171.53
Injuries to Persons.....	314,633.58	391,621.58
Insurance.....	20,077.77	87,813.81
Stationery and Printing.....	40,770.37	58,122.72
Other Expenses.....	15,591.58	40,051.94
Maintaining Joint Tracks, Yards & Other Facilities, Dr.....	483,802.19	536,763.74
“ “ “ “ “ “ Cr.....	736,612.93	1,155,625.58
Depreciation—U.S. Lines only.....	68,081.53	110,285.84
Total.....	\$30,130,324.66	\$42,256,228.55

MAINTENANCE OF EQUIPMENT EXPENSES

	Year 1932	Year 1931
Superintendence.....	\$1,450,100.65	\$1,879,138.07
Shop Machinery.....	829,373.52	1,246,900.00
Power Plant Machinery.....	68,682.24	96,560.74
Power Substation Apparatus.....	416.94	564.21
Steam Locomotives—Repairs.....	10,744,232.16	14,820,406.21
Steam Locomotives—Retirements.....	646,944.23	649,206.99
Other Locomotives—Repairs.....	41,497.68	129,837.79
Freight Train Cars—Repairs.....	8,597,876.68	12,565,879.33
Freight Train Cars—Retirements.....	2,336,052.34	2,774,565.23
Passenger Train Cars—Repairs.....	4,101,312.15	5,588,374.75
Passenger Train Cars—Retirements.....	254,701.24	89,722.26
Motor Equipment of Cars—Repairs.....	180,793.20	188,841.40
Motor Equipment of Cars—Retirements.....	33,598.48	5,300.00
Floating Equipment—Repairs.....	106,274.87	191,248.57
Floating Equipment—Retirements.....	37,799.37	
Work Equipment—Repairs.....	619,568.58	1,129,446.40
Work Equipment—Retirements.....	202,298.29	80,761.78
Miscellaneous Equipment—Repairs.....	203,118.15	225,796.87
Miscellaneous Equipment—Retirements.....	3,306.58	1,370.93
Injuries to Persons.....	254,231.55	340,580.37
Insurance.....	88,028.61	227,758.17
Stationery and Printing.....	32,528.83	44,370.27
Other Expenses.....	13,253.87	27,418.21
Maintaining Joint Equipment, Dr.....	68,873.67	71,006.75
Maintaining Joint Equipment, Cr.....	160,901.07	187,683.30
Depreciation—U.S. Lines only.....	1,463,026.56	1,559,498.12
Total.....	<u>\$32,216,989.37</u>	<u>\$43,746,870.12</u>

TRAFFIC EXPENSES

Superintendence.....	\$1,690,133.70	\$2,026,512.45
Outside Agencies.....	2,492,779.63	2,816,223.13
Advertising.....	616,415.46	1,102,715.59
Radio.....	80,384.01	326,248.32
Traffic Associations.....	94,735.15	111,010.49
Industrial Bureaus.....	97,884.40	142,657.86
Colonization, Agriculture and Natural Resources.....	271,176.72	386,478.64
Insurance.....	125.54	256.49
Stationery and Printing.....	354,211.23	462,000.96
Other Expenses.....	5,648.13	155,377.40
Total.....	<u>\$5,703,493.97</u>	<u>\$7,529,481.33</u>

TRANSPORTATION EXPENSES

	Year 1932	Year 1931
Superintendence.....	\$3,067,346.66	\$3,755,997.32
Despatching Trains.....	1,122,896.08	1,383,042.29
Station Employees.....	12,523,044.35	15,166,532.73
Weighing, Inspection and Demurrage Bureaus.....	53,738.72	70,209.51
Station Supplies and Expenses.....	1,164,008.22	1,235,342.26
Yardmasters and Yard Clerks.....	2,113,561.36	2,606,075.76
Yard Conductors and Brakemen.....	3,189,033.30	4,230,199.16
Yard, Switch and Signal Tenders.....	508,189.43	637,188.80
Yard Enginemen.....	2,278,812.22	3,051,366.87
Yard Motormen.....	27,090.09	35,136.77
Fuel for Yard Locomotives.....	2,517,861.43	3,078,632.93
Yard Switching Power Produced.....	9,496.53	9,092.01
Yard Switching Power Purchased.....	53,310.69	61,740.43
Water for Yard Locomotives.....	146,817.01	168,524.50
Lubricants for Yard Locomotives.....	32,445.89	38,562.50
Other Supplies for Yard Locomotives.....	19,944.20	25,860.96
Enginehouse Expenses—Yard.....	1,181,545.51	1,453,150.91
Yard Supplies and Expenses.....	116,010.66	123,873.13
Operating Joint Yards and Terminals, Dr.....	893,468.09	1,155,758.66
Operating Joint Yards and Terminals, Cr.....	<i>1,071,516.54</i>	<i>1,399,694.40</i>
Train Enginemen.....	6,754,451.86	8,800,616.28
Train Motormen.....	126,844.35	166,339.14
Fuel for Train Locomotives.....	11,962,821.24	14,064,044.61
Train Power Produced.....	9,041.78	11,486.83
Train Power Purchased.....	41,154.16	45,053.64
Water for Train Locomotives.....	819,767.44	922,507.03
Lubricants for Train Locomotives.....	258,093.61	307,057.77
Other Supplies for Train Locomotives.....	103,809.03	137,252.73
Enginehouse Expenses—Train.....	3,080,090.60	3,682,796.23
Trainmen.....	7,617,281.68	9,912,751.66
Train Supplies and Expenses.....	4,393,107.98	5,382,114.95
Operating Sleeping Cars.....	814,377.52	1,075,005.13
Signal and Interlocker Operation.....	476,061.41	590,268.47
Crossing Protection.....	532,953.73	627,492.43
Drawbridge Operation.....	81,355.70	104,654.47
Telegraph and Telephone Operation.....	3,569,814.58	4,295,070.76
Operating Floating Equipment.....	767,723.34	1,010,477.84
Express Service.....	4,747,584.75	5,596,053.40
Stationery and Printing.....	362,529.02	461,859.71
Other Expenses.....	226,058.73	234,843.94
Operating Joint Tracks and Facilities, Dr.....	222,498.32	251,658.71
Operating Joint Tracks and Facilities, Cr.....	<i>430,608.00</i>	<i>497,007.53</i>
Insurance.....	15,637.27	79,213.28
Clearing Wrecks.....	154,472.94	212,161.05
Damage to Property.....	58,865.02	66,402.44
Damage to Live Stock on Right of Way.....	40,679.26	43,714.62
Loss and Damage—Freight.....	431,373.16	613,553.44
Loss and Damage—Baggage.....	782.58	3,120.18
Injuries to Persons.....	843,405.25	764,983.89
Total.....	\$78,029,131.22	\$95,852,140.20

MISCELLANEOUS OPERATING EXPENSES

	Year 1932	Year 1931
Dining and Buffet Service.....	\$1,078,662.93	\$1,741,223.40
Restaurants.....	8,149.81	5,205.97
Grain Elevators.....	57,619.40	55,940.48
Producing Power Sold.....	18,897.52	19,498.31
Other Miscellaneous Operations.....	25,061.41	29,761.41
Total.....	<u>\$1,188,391.07</u>	<u>\$1,851,629.57</u>

GENERAL EXPENSES

Salaries and Expenses of General Officers.....	\$806,033.44	\$985,384.02
Salaries and Expenses of Clerks and Attendants.....	3,235,394.61	3,843,075.86
General Office Supplies and Expenses.....	218,260.28	472,320.82
Law Expenses.....	436,938.80	546,039.49
Insurance.....	362.94	883.50
Relief Department Expenses.....	27,500.00	27,500.00
Pensions.....	2,950,554.64	2,502,892.00
Stationery and Printing.....	128,695.61	155,858.75
Valuation Expenses.....	52,214.01	97,966.97
Other Expenses.....	292,109.05	403,414.12
General Joint Facilities, Dr.....	20,028.85	40,026.97
General Joint Facilities, Cr.....	10,548.72	10,152.40
Total.....	<u>\$8,157,543.51</u>	<u>\$9,065,210.10</u>

CAPITAL EXPENDITURES

	Expenditures Year 1932	Expenditures 10 years to Dec. 31, 1932
ROAD:		
New Lines Constructed.....	\$434,080.95	\$73,690,651.32
New Lines Acquired and Betterments thereto.....	72,046.45	18,852,355.62
New Lines Acquired transferred to Equipment Groups below.....		1,441,240.27
Montreal Terminal Development Chapter 12—1929.....	1,499,515.63	16,136,393.01
Toronto Viaduct.....	14,472.60	3,541,666.56
Wider Woodward Avenue, Detroit.....	5,682.52	5,474,517.55
Line Diversions and Revisions.....	126,441.43	4,260,177.91
Double Tracking.....	12,341.34	1,106,442.65
Rails and Fastenings.....	178,829.85	10,468,603.07
Tie Plates and Rail Anchors.....	171,990.23	12,542,789.28
Ties—Cost of Treating.....	381,425.45	381,425.45
Ballast.....	6,049.16	6,340,105.53
Widening Cuts and Fills and Scaling Rock Cuts.....	9,248.60	1,123,193.23
Ditching, Drainage and Sewers.....	37,087.14	1,357,109.03
Large Freight Terminals.....	337,825.88	6,304,290.62
Large Passenger Terminals.....	841,976.39	6,029,410.43
Yard Tracks and Sidings.....	107,470.56	14,681,667.77
Bridges, Trestles and Culverts.....	349,728.85	16,368,562.35
Crossing Protection, including Subways.....	704,372.76	10,706,237.71
Stations and Station Facilities.....	20,308.67	7,982,003.16
Water Supplies.....	85,988.78	1,885,542.11
Shops, Enginehouses and Machinery.....	690,047.48	9,414,289.05
Docks and Wharves.....	47,145.18	2,550,387.62
Signals and Interlockers.....	7,874.94	2,368,700.07
Telegraphs—Railway.....	71,196.74	2,305,962.67
Telegraphs—Commercial.....	20,300.60	5,940,459.34
Stores Department Buildings and Equipment.....	3,467.37	1,253,930.90
Assessments for Public Improvements.....	88,171.98	1,194,172.28
Land.....	985,455.84	6,991,949.78
Miscellaneous.....	202,108.02	4,479,496.46
Total.....	\$3,112,115.07	\$254,291,252.26
EQUIPMENT:		
Rolling Stock Purchased, Built or Acquired.....	\$234,862.44	\$142,731,645.09
Additions and Betterments to Rolling Stock.....	261,999.67	16,907,781.85
Retirements of Rolling Stock.....	4,218,937.43	35,691,464.38
Equipment Transfers.....	672,980.28	844,979.72
Express and Miscellaneous Equipment.....	47,010.34	107,642.60
Floating Equipment.....	4,670.27	4,646,848.80
Total.....	\$4,446,736.21	\$127,642,189.04
HOTELS (1932 includes \$360,340.15 Land transferred from Railway Account):.....	\$2,194,467.65	\$24,348,291.73
SEPARATELY OPERATED PROPERTIES:	\$60,688.13	\$14,187,045.99
TOTAL ADDITIONS AND BETTERMENTS	\$799,158.38	\$420,468,779.02
Bookkeeping Transfers—not representing cash expenditures.....	2,147,612.20	21,974,537.27
Change per Balance Sheet Accounts.....	\$1,348,453.82	\$398,494,241.75

RECEIPTS AND EXPENDITURES **10 YEARS — 1923-1932**

RECEIPTS:

Cash on hand January 1, 1923.....		\$20,790,857.20
Funded Debt:		
New Issues par.....	\$642,140,341.43	
Retirements ".....	182,126,318.41	
Net ".....	\$460,014,023.02	
Discount and issue expense.....	13,476,371.99	
Net Proceeds.....		446,537,651.03
Loans from Dominion of Canada.....		188,777,237.70
Appropriations from Public Funds for Income Deficits of "Eastern Lines".....		33,497,557.58
Appropriations from Public Funds for Capital Expenditures on Canadian Government Railways.....		5,690,131.66
Reduction in working and other balance sheet accounts.....		22,681,141.31
		<u>\$717,974,576.48</u>

EXPENDITURES:

Investment in Fixed Railway Property.....	\$254,291,252.26	
" Equipment.....	127,642,189.04	
" Hotels.....	24,348,291.73	
" Separately Operated Properties.....	14,187,045.99	\$420,468,779.02
" Affiliated Companies.....	\$37,626,571.20	
" Sinking Funds.....	15,221,635.53	
" Insurance Fund.....	9,388,962.34	62,237,169.07
PROFIT AND LOSS DEFICIT: Excluding interest on Government Loans		
Deficit per the accounts, including \$44,748,054 interest due Public.....	\$242,220,093.71	
Deduct, accounting adjustments "Non Cash".....	11,505,415.79	
" appropriations for Insurance Fund.....	9,388,962.34	221,325,715.58*
Cash on Hand December 31, 1932.....		<u>13,942,912.81</u>
		<u>\$717,974,576.48</u>

*Average deficit per annum \$22,132,571 including Eastern Lines.

FUNDED DEBT—PRINCIPAL AND INTEREST

NAME OF SECURITY	Issuing Company	Date of Issue	Date of Maturity	Principal Outstanding at Dec. 31, 1932	Interest Accrued 1932
GUARANTEED BY DOMINION GOVERNMENT:					
5% Perpetual Debenture Stock.....	G.T.R....	1875 to 1883	Perpetual....	\$20,782,491.67	\$1,039,124.58
5% G.W. Perp. Deb. Stock & Bonds...	G.T.R....	1858 to 1876	Perpetual....	13,252,322.67	662,616.12
4% Perpetual Debenture Stock.....	G.T.R....	1883 to 1918	Perpetual....	119,839,014.33	4,793,560.56
4% Nor. Rly. Perpetual Deb. Stock.....	G.T.R....	July 31, 1884	Perpetual....	1,499,979.67	59,999.18
4% Perpetual Guaranteed Stock.....	G.T.R....	1884 to 1909	Perpetual....	60,833,333.33	2,433,333.33
7% Sinking Fund Gold Deb. Bonds....	G.T.R....	Oct. 1, 1920	Oct. 1, 1940	23,989,000.00	1,696,746.71
6% Sinking Fund Gold Deb. Bonds....	G.T.R....	Sept. 1, 1921	Sept. 1, 1936	24,220,000.00	1,466,005.67
3% 1st Mtge. Bonds (ex.Govt.holdings)...	G.T.P....	July 1, 1905	Jan. 1, 1962	34,992,000.00	1,049,760.00
4% Sterling Bonds.....	G.T.P....	July 1, 1914	Jan. 1, 1962	8,440,848.00	337,633.92
3% 1st Mortgage Debenture Stock.....	Can. Nor.	July 29, 1903	July 10, 1953	9,359,996.72	280,799.86
3½% 1st Mortgage Debenture Stock...	Can. Nor.	March, 1910	July 20, 1958	7,896,561.63	276,379.69
4% Debenture Stock and Bonds.....	Can. Nor.	1914 to 1918	Sept. 1, 1934	17,060,333.33	682,413.34
7% Sinking Fund Debenture Bonds....	Can. Nor.	Dec. 1, 1920	Dec. 1, 1940	23,779,000.00	1,687,903.38
6½% Sinking Fund Debenture Bonds...	Can. Nor.	July 1, 1921	July 1, 1946	24,238,000.00	1,586,218.66
4½% 10 Year Gold Bonds.....	Can. Nor.	Feb. 15, 1925	Feb. 15, 1935	17,000,000.00	765,000.00
3½% 1st Mortgage Debenture Stock....	C.N.A....	Mar. 22, 1911	May 4, 1960	3,149,998.66	110,249.94
3½% 1st Mortgage Debenture Stock....	C.N.O....	Dec. 8, 1911	May 19, 1961	34,229,996.87	1,198,049.84
5% Equipment Trust—Series "G".....	Can. Nat.	Aug. 1, 1923	Ser. 1, 8, '38	9,000,000.00	475,000.00
5% 30 Year Guaranteed Bonds.....	Can. Nat.	Feb. 1, 1924	Feb. 1, 1954	50,000,000.00	2,500,000.00
4½% 30 Year Guaranteed Gold Bonds...	Can. Nat.	Sept. 15, 1924	Sept. 15, 1954	26,000,000.00	1,170,000.00
2% 1927 Guaranteed Debenture Stock...	Can. Nat.	July 1, 1926	By Tenders..	28,268,505.40	575,644.88
4½% 30 Year Guaranteed Gold Bonds...	Can. Nat.	July 1, 1927	July 1, 1957	65,000,000.00	2,925,000.00
4½% 40 Year Guaranteed Gold Bonds...	Can. Nat.	Dec. 1, 1928	Dec. 1, 1968	35,000,000.00	1,575,000.00
5% 40 Year Guaranteed Gold Bonds....	Can. Nat.	July 1, 1929	July 1, 1969	60,000,000.00	3,000,000.00
5% 40 Year Guaranteed Gold Bonds....	Can. Nat.	Oct. 1, 1929	Oct. 1, 1969	60,000,000.00	3,000,000.00
5% 40 Year Guaranteed Gold Bonds....	Can. Nat.	Feb. 1, 1930	Feb. 1, 1970	18,000,000.00	900,000.00
4¾% 25 Year Guaranteed Gold Bonds...	Can. Nat.	June 15, 1930	June 15, 1955	50,000,000.00	2,375,000.00
4½% 25 Year Guaranteed Gold Bonds...	Can. Nat.	Feb. 1, 1931	Feb. 1, 1956	70,000,000.00	3,150,000.00
4½% 20 Year Guaranteed Gold Bonds...	Can. Nat.	Sept. 1, 1931	Sept. 1, 1951	50,000,000.00	2,250,000.00
				\$965,831,382.28	\$44,021,439.66
GUARANTEED BY PROVINCE OF ONTARIO.					
3½% 1st Mortgage Debenture Stock...	C.N.O.....	1906 and 1908	1936 and 1938	7,859,997.59	275,099.90
GUARANTEED BY PROVINCE OF MANITOBA:					
4% Winnipeg Terminal Bonds.....	Can. Nor...	July 1, 1909	July 1, 1939	3,000,000.00	120,000.00
GUARANTEED BY PROVINCE OF SASKATCHEWAN:					
4% 1st Mortgage Bonds.....	G.T.P.B.L..	May 1, 1909	Jan. 22, 1939	9,874,062.00	394,962.48
4% 1st Mortgage Debenture Stock....	Can. Nor...	June 12, 1909	Jan. 23, 1939	8,029,999.99	321,200.00
GUARANTEED BY PROVINCE OF ALBERTA:					
4% 1st Mortgage Bonds.....	G.T.P. B.L..	May 1, 1912	Feb. 15, 1942	1,153,764.00	46,150.56
4% 1st Mortgage Bonds.....	G.T.P. B.L..	May 1, 1909	Feb. 25, 1939	2,430,000.00	97,200.00
4% 1st Mortgage Debenture Stock....	Can. Nor...	June 10, 1909	Feb. 25, 1939	5,586,665.64	223,466.62
4½% 1st Mtge. Deb. Stock & Bonds	C. N.W.....	March, 1914	Oct. 22, 1943	2,799,997.73	125,999.90
4½% 1st Mtge. Deb. Stock & Bonds	C. N.W.....	Feb. 1914	Feb. 16, 1942	6,424,000.00	289,080.00
GUARANTEED BY PROVINCE OF BRITISH COLUMBIA:					
4% 1st Mortgage Debenture Stock...	C.N.P.....	Nov. 16, 1911	April 2, 1950	16,412,001.13	656,480.07
4½% Terminal Debenture Stock.....	C.N.P.....	1913 & 1914	April 2, 1950	8,614,000.00	387,630.00
Carried forward.....				\$1,038,015,870.36	\$46,958,709.19

FUNDED DEBT—PRINCIPAL AND INTEREST (Continued)

NAME OF SECURITY	Issuing Company	Date of Issue	Date of Maturity	Principal Outstanding at Dec. 31, 1932	Interest Accrued 1932
UNGUARANTEED (by Provinces or DOMINION):					
EQUIPMENT TRUST ISSUES:					
6% Series "U.S.R.A."	G.T.R.	Jan. 15, 1920	Ser. 15, 1, '35	179,700.00	10,782.00
6% " " "U.S.R.A."	G.T.W.	Jan. 15, 1920	Ser. 15, 1, '35	619,500.00	37,686.25
7% " " "E"	Can. Nor.	May 1, 1920	May 1, 1935	12,785,000.00	920,040.94
6½% " " "F"	G.T.R.	Feb. 1, 1921	Feb. 1, 1936	9,996,500.00	669,263.43
4½% " " "H"	Can. Nat.	July 1, 1924	Ser. 1, 7, '39	4,375,000.00	210,937.50
4½% " " "J"	Can. Nat.	May 1, 1927	Ser. 1, 5, '42	10,000,000.00	465,000.00
5% " " "K"	Can. Nat.	May 1, 1929	Ser. 1, 5, '44	14,400,000.00	740,000.00
5% " " "G.T.W."	G.T.W.	Dec. 14, 1929	Ser. 14, 12, '44	3,389,000.00	182,931.80
5% " " "C.V.R."	C.V.	Dec. 14, 1929	Ser. 14, 12, '44	1,477,000.00	78,627.77
4½% " " "L"	Can. Nat.	June 1, 1930	Ser. 1, 6, '45	13,650,000.00	633,937.50
5% C.V. Series "F"	C.V.	Oct. 1, 1924	Oct. 1, 1932		2,257.50
OTHER ISSUES:					
4% Canada Atlantic 1st Mtge. Bonds	G.T.R.	Jan. 1, 1905	Jan. 1, 1955	16,000,092.00	640,003.68
7% Wellington, Grey & Bruce Bonds	G.T.R.	July 1, 1869	By Drawings	144,540.00	21,012.13
6% Northern Railway 3rd Pref. Bonds	G.T.R.	1868	Perpetual	70,566.66	4,234.00
3½% 1st Mortgage Bonds	N.E. Elev.	July 1, 1901	Ser. 1, 7, '41	90,000.00	3,562.50
4% 1st Mortgage Bonds	Port. Elev.	Jan. 1, 1897	Ser. 1, 1, '37	25,000.00	1,000.00
4% 1st Mortgage Bonds	Pem. South.	Sept. 1, 1906	Sept. 1, 1956	150,000.00	6,000.00
4% 2nd Mort. Bonds Prairie "A"	G.T.P.	April 1, 1905	April 1, 1955	10,206,000.00	408,240.00
4% 2nd Mort. Bonds Mountain "B"	G.T.P.	April 1, 1905	April 1, 1955	9,963,000.00	398,520.00
4% 1st Mort. Bonds Lake Superior	G.T.P.	April 1, 1905	April 1, 1955	7,533,000.00	301,320.00
4% Perpetual Con. Debenture Stock	Can. Nor.	1903 to 1912	Perpetual	44,943,019.40	1,797,720.74
4% Perpetual Con. Debenture Stock	C.N.O.	June 21, 1909	Perpetual	8,724,113.20	348,964.50
5% 1st Mortgage Bonds	C.O.R.	Jan. 1, 1909	Jan. 1, 1934	693,013.34	34,650.67
4% Perpetual Con. Debenture Stock	C.N.Q.	Oct. 1906	Perpetual	5,250,369.26	210,014.76
4% 1st Mortgage Gold Bonds	G.N. of C.	Oct. 1, 1904	Oct. 1, 1934	3,510,250.00	140,410.00
4% 1st Mortgage Perp. Deb. Stock	Q. & L. St. J.	June 1, 1912	Perpetual	4,252,503.06	170,100.14
4% 1st Mortgage Debenture Stock	Q. L. L. & S.	Oct. 17, 1906	July 1, 1936	5,020,748.98	200,829.02
5% 1st Mortgage Rent Charge Bonds	M.R.T. & T.	Apr. 15, 1918	April 15, 1970	1,146,586.69	59,352.33
5% 1st Mortgage Bonds	C.N.C. & O.D.	Jan. 1, 1916	Jan. 1, 1936	1,375,000.00	68,750.00
4% 1st Mortgage Debenture Stock	D.W. & P.	May 1, 1910	June 1, 1939	7,004,997.27	280,199.89
4% 1st Mortgage Bonds	G.T.W.	Nov. 30, 1900	July 1, 1950	10,964,416.00	438,576.64
4½% 1st Mortgage Series "A" Bonds	G.T.W.	Jan. 1, 1930	Jan. 1, 1980	400,000.00	18,000.00
5% 1st Mortgage Bonds	G.T. Jct.	Jan. 1, 1884	Jan. 1, 1934	42,592.00	2,129.60
4½% 1st Mortgage S.F. Gold Bonds	N.T.R.B.L.	Dec. 23, 1927	Oct. 1, 1955	2,740,000.00	126,463.13
4% Indebtedness of S.S. & C. Co.	C.V. Rly.	Aug. 27, 1858	Optional	155,865.25	6,234.61
4% 1st Mortgage Gold Bonds	M. & P.L.	Oct. 1, 1900	Oct. 1, 1950	200,000.00	8,000.00
3½% 1st Mtge. Guar. Deb. Bonds	H. & S.W.	Oct. 1, 1912	Sept. 30, 1942	4,447,000.00	155,645.00
4% 1st Mortgage Debenture Stock	St. J. & Q.	May 1912	June 1, 1962	2,727,977.40	109,119.10
5% Indebtedness to Prov. of N. B.	Can. Nat.	Sept. 3, 1929	Various	1,814,022.60	96,052.55
4% First Mortgage Bonds	M.W. Co.	April 1, 1906	April 1, 1936	6,000.00	Separately Operated Properties
5% 1st Mtge. Sinking Fund Gold Bonds	R. & R.C. Co.	April 1, 1908	April 1, 1938	1,048,000.00	No Interest
Indebtedness to State of Michigan	G.T.W.	July 20, 1927	Serially 1945	4,980,923.61	
Total Debt held by Public (including therein \$20,666,714.91 par value held in Special Funds and Accounts) as per Balance Sheet				\$1,264,517,167.08	\$56,965,278.87

NOTE: These obligations are stated in Canadian currency—Sterling and U.S. currencies being converted at the par of exchange.

LOANS FROM DOMINION OF CANADA

	Principal Outstanding at December 31, 1932	Accrued Interest 1932
CANADIAN NORTHERN RAILWAY:		
3½% Loan, Chap. 6, 1911.....	\$2,396,099.68	\$83,863.48
4% Loan, Chap. 20, 1914.....	5,294,000.02	211,760.00
5% Loan, Chap. 4, 1915.....	10,000,000.00	500,000.00
6% Loan, Chap. 29, 1916.....	15,000,000.00	900,000.00
6% Loan, Chap. 24, 1917.....	25,000,000.00	1,500,000.00
6% Loan, Vote 110, 1918.....	25,000,000.00	1,500,000.00
6% Loan, Vote 108, 1919.....	35,000,000.00	2,100,000.00
6% Loan, Vote 127, 1920.....	48,611,077.00	2,916,664.62
6% Loan, Vote 126, 1921.....	44,419,806.42	2,665,188.38
6% Loan, Vote 136, 1922.....	42,800,000.00	2,568,000.00
6% Loan, 1918 War Measures Act	1,887,821.16	113,269.26
	<u>\$255,408,804.28</u>	
GRAND TRUNK RAILWAY:		
6% Loan, Vote 478, 1920.....	\$25,000,000.00	1,500,000.00
6% Loan, Vote 126, 1921.....	55,293,435.18	3,317,606.10
6% Loan, Vote 137, 1922.....	23,288,747.15	1,397,324.82
4% Loan to G.T.P. Rly., Chap. 23, 1913.....	15,000,000.00	600,000.00
	<u>118,582,182.33</u>	
GRAND TRUNK PACIFIC RAILWAY:		
6% Loan, Chap. 4, 1915.....	\$6,000,000.00	360,000.00
3% Bonds, Chap. 24, 1913.....	33,048,000.00	991,440.00
6% Loan, Vote 441, 1916.....	7,081,783.45	273,350.60
6% Loan, Vote 444, 1917.....	5,038,053.72	251,764.42
6% Loan, Vote 110, 1918.....	7,471,399.93	347,246.40
Receiver Account O.C. 26th March, 1919.....	45,764,162.35	2,745,849.74
Interest guaranteed by Dominion of Canada.....	8,704,662.65	
Interest guaranteed by Provinces of Alta. & Sask...	2,898,536.98	
	<u>116,006,599.08</u>	
PURCHASE OF RAILWAY EQUIPMENT:		
6% Loan, Chap. 38, 1918.....	\$13,962,639.21	837,079.70
6% Loan, Vote 96, 1919.....	23,379,655.27	1,401,732.76
6% Loan, Vote 115, 1920.....	15,541,406.96	930,205.58
6% Loan, Vote 113, 1921.....	1,726,493.59	103,543.40
6% Loan, Vote 115, 1922.....	2,315,805.79	138,948.34
	<u>56,926,000.82</u>	
CANADIAN NATIONAL RAILWAY:		
6% Loan, Vote 139, 1923.....	\$24,550,000.00	958,112.97
5% Loan, Vote 137, 1924.....	10,000,000.00	300,474.47
5% Loan, Vote 377, 1925.....	10,000,000.00	511,183.74
5% Loan, Vote 372, 1926.....	10,000,000.00	434,886.28
5% Loan, Vote 336, 1929.....	2,932,652.91	146,632.64
	<u>57,482,652.91</u>	
	<u>\$604,406,239.42</u>	
5% & 5¼% Loan, Chaps. 22, 1931, 6, 1932.....	\$41,121,216.41	1,986,155.51
5¼% Loan, Chap. 25, 1932.....	50,195,750.94	933,256.83
	<u>91,316,967.35</u>	
	<u>\$695,723,206.77</u>	<u>\$35,525,540.04</u>

DOMINION GOVERNMENT GUARANTEED SECURITIES

Name of Security	Issued by	Issued	Retired	Outstanding Dec. 31, 1932
5% Perpetual Debenture Stock	G.T.R.	\$20,782,491.67		\$20,782,491.67
5% G.W. Perp. Deb. Stock & Bonds	G.T.R.	13,252,322.67		13,252,322.67
4% Perpetual Debenture Stock	G.T.R.	119,839,014.33		119,839,014.33
4% Nor. Rly. Perpetual Deb. Stock	G.T.R.	1,499,979.67		1,499,979.67
4% Perpetual Guaranteed Stock	G.T.R.	60,833,333.33		60,833,333.33
7% Sinking Fund Gold Deb. Bonds	G.T.R.	25,000,000.00	\$1,011,000.00*	23,989,000.00
6% Sinking Fund Gold Deb. Bonds	G.T.R.	25,000,000.00	780,000.00	24,220,000.00
3% 1st Mtge. Bonds (ex. Govt. Holdings)	G.T.P.	34,992,000.00		34,992,000.00
4% Sterling Bonds	G.T.P.	8,440,848.00		8,440,848.00
3% 1st Mortgage Debenture Stock	Can. Nor.	9,359,996.72		9,359,996.72
3½% 1st Mortgage Debenture Stock	Can. Nor.	7,896,590.00	28.37*	7,896,561.63
4% Debenture Stock and Bonds	Can. Nor.	17,060,333.33		17,060,333.33
7% Sinking Fund Debenture Bonds	Can. Nor.	25,000,000.00	1,221,000.00*	23,779,000.00
6½% Sinking Fund Debenture Bonds	Can. Nor.	25,000,000.00	762,000.00	24,238,000.00
3½% 1st Mortgage Debenture Stock	C.N.A.	3,149,998.66		3,149,998.66
3½% 1st Mortgage Debenture Stock	C.N.O.	34,229,996.87		34,229,996.87
5% 3 year Secured Notes—1922	Can. Nor.	5,109,026.66	5,109,026.66*	
5½% 3 and 5 year Secured Notes—1922-24	Can. Nor.	12,000,000.00	12,000,000.00*	
5% 3 year Notes—1925	Can. Nor.	11,000,000.00	11,000,000.00	
Total issued prior to Jan. 1, 1923		\$459,445,931.91		
4½% 10 year Gold Bonds	Can. Nor.	\$17,000,000.00		17,000,000.00
5% Equipment Trust—"Series G"	Can. Nat.	22,500,000.00	13,500,000.00	9,000,000.00
5% 30 year Guaranteed Bonds	Can. Nat.	50,000,000.00		50,000,000.00
4½% 30 year Guaranteed Gold Bonds	Can. Nat.	26,000,000.00		26,000,000.00
2% 1927 Guaranteed Debenture Stock	Can. Nat.	34,927,098.20	6,658,592.80	28,268,505.40
4½% 30 year Guaranteed Gold Bonds	Can. Nat.	65,000,000.00		65,000,000.00
4½% 40 year Guaranteed Gold Bonds	Can. Nat.	35,000,000.00		35,000,000.00
5% 40 year Guaranteed Gold Bonds	Can. Nat.	60,000,000.00		60,000,000.00
5% 40 year Guaranteed Gold Bonds	Can. Nat.	60,000,000.00		60,000,000.00
5% 40 year Guaranteed Gold Bonds	Can. Nat.	18,000,000.00		18,000,000.00
4¾% 25 year Guaranteed Gold Bonds	Can. Nat.	50,000,000.00		50,000,000.00
4½% 25 year Guaranteed Gold Bonds	Can. Nat.	70,000,000.00		70,000,000.00
4½% 20 year Guaranteed Gold Bonds	Can. Nat.	50,000,000.00		50,000,000.00
4% 3 year Guaranteed Gold Notes—1927	Can. Nat.	20,000,000.00	20,000,000.00	
4½% 5 year Guaranteed Gold Bonds—1930	Can. Nat.	18,000,000.00	18,000,000.00	
Total issued 1923-1932		\$596,427,098.20		
		\$1,055,873,030.11	\$90,041,647.83*	\$965,831,382.28

*Includes \$11,573,028.40 retired prior to January 1, 1923.

INVESTMENTS IN AFFILIATED COMPANIES

COMPANY	Amount Outstanding	Amount Owned by Can. Nat. System	Book Value
"A"—STOCKS:			
Atlantic and St. Lawrence Rail Road Company.....	\$5,480,700.00	\$224.33	
The Belt Railway Company of Chicago.....	3,120,000.00	240,000.00	
Canadian Airways, (Limited) (no par value).....	127,088 shares	10,000 shares	
Canadian Government Merchant Marine, Limited.....	221,700.00	1,700.00	
Chicago & Western Indiana Railroad Company.....	5,000,000.00	1,000,000.00	
The Detroit & Toledo Shore Line Railroad Company.....	3,000,000.00	1,500,000.00	
Detroit Terminal Railroad Company.....	2,000,000.00	1,000,000.00	
Northern Alberta Railways Company.....	625,000.00	312,500.00	
The Ontario Car Ferry Company (Limited).....	500,000.00	250,000.00	
Public Markets Limited.....	1,150,000.00	575,000.00	
Railway Express Agency, Incorporated (no par value).....	1,000 shares	7 shares	
The Toronto Terminals Railway Company.....	50,000.00	25,000.00	
The Toledo Terminal Railroad Company.....	4,000,000.00	387,200.00	
	<u>\$25,147,400.00</u>	<u>\$5,291,624.33</u>	<u>\$6,113,284.06</u>
"B"—BONDS:			
Atlantic and St. Lawrence Rail Road Company.....	\$3,000,000.00	\$3,000,000.00	
The Detroit & Toledo Shore Line R.R. Co. First Mortgage Bonds.....	3,000,000.00	587,000.00	
Northern Alberta Railways Co. First Mortgage Bonds.....	8,970,000.00	4,485,000.00	
The Toronto Terminals Rly. Co. First Mortgage Bonds.....	23,524,700.00	11,762,400.00	
	<u>\$38,494,700.00</u>	<u>\$19,834,400.00</u>	<u>\$19,831,055.00</u>
"D"—ADVANCES:			
Chicago & Western Indiana Railroad Company.....			\$833,989.51
The Railroad Credit Corporation.....			602,241.29
Railway Express Agency, Incorporated.....			39,200.00
The Toronto Terminals Railway Company.....			1,625,658.16
			<u>\$3,101,088.96</u>
Total per Balance Sheet			<u><u>\$29,045,428.02</u></u>

SCHEDULE OF COMPANIES COMPRISING THE CANADIAN NATIONAL RAILWAY SYSTEM

NAME OF ISSUING COMPANY	Capital Stock	Held by System	Owned by Government Owned by <i>Public</i>
CANADIAN NATIONAL RAILWAY COMPANY.....	\$180,424,327.70	\$14,796,589.00	†\$165,627,738.70
*Canada Atlantic Transit Company.....	219,000.00	219,000.00	
*Canada Atlantic Transit Company of U.S.....	250,000.00	250,000.00	
The Canadian Express Company.....	1,768,800.00	1,768,800.00	
Canadian National Land Settlement Association.....			
*Canadian National Railways (France).....	2,007,400.00	2,007,400.00	
Canadian National Rolling Stock Limited.....	50,000.00	50,000.00	
Canadian National Railways Trust Company.....			
*Canadian National Transportation Limited.....	500.00	500.00	
The Champlain and St. Lawrence Railroad Company.....	50,000.00	50,000.00	
*Chicago, New York and Boston Refrigerator Company.....	1,129,400.00	1,129,400.00	
Cincinnati, Saginaw and Mackinaw Rail Road Company.....	1,500,000.00	1,500,000.00	
*Consolidated Land Corporation.....	64,000.00	64,000.00	
The Grand Trunk Junction Railway Company.....	500,000.00	500,000.00	
Grand Trunk Western Railroad Company (Common).....	20,000,000.00	20,000,000.00	
Grand Trunk Western Railroad Company (Preferred).....	25,000,000.00	25,000,000.00	
*Industrial Land Company.....	1,000.00	1,000.00	
International Bridge Company.....	1,500,000.00	1,500,000.00	
The Maganetawan River Railway Company.....	30,000.00	30,000.00	
Manitoba Northern Railway Company.....	500,000.00	500,000.00	
*Montreal Fruit & Produce Terminal Company, Limited.....	500.00	500.00	
*Montreal and Southern Counties Railway Company.....	500,000.00	310,500.00	189,500.00
*The Montreal Stock Yards Company.....	350,000.00	349,600.00	400.00
*The Montreal Warehousing Company.....	236,000.00	222,860.00	13,140.00
*Muskegon Railway and Navigation Company.....	161,293.00	161,293.00	
*National Terminals of Canada, Limited.....	500.00	500.00	
National Transcontinental Railway Branch Lines Company.....	500.00	500.00	
New England Elevator Company.....	400,000.00	400,000.00	
*The Oshawa Railway Company.....	40,000.00	40,000.00	
The Ottawa Terminals Railway Company.....	250,000.00	250,000.00	
The Pembroke Southern Railway Company.....	107,800.00	90,600.00	17,200.00
Portland Elevator Company.....	50,000.00	50,000.00	
*Prince Charles, Limited.....	10,000.00	10,000.00	
*Prince David, Limited.....	10,000.00	10,000.00	
*Prince George, Limited.....	10,000.00	10,000.00	
*Prince Henry, Limited.....	10,000.00	10,000.00	
*Prince John, Limited.....	10,000.00	10,000.00	
*Prince Robert, Limited.....	10,000.00	10,000.00	
*Prince Rupert, Limited.....	10,000.00	10,000.00	
*Prince William, Limited.....	10,000.00	10,000.00	
*Rail & River Coal Company.....	2,000,000.00	2,000,000.00	
St. Clair Tunnel Company.....	700,000.00	700,000.00	
*The Thousand Islands Railway Company.....	60,000.00	60,000.00	
The Toronto Belt Line Railway Company.....	50,000.00	33,400.00	16,600.00
The United States and Canada Rail Road Company.....	219,400.00	218,925.00	475.00
Vermont and Province Line Railroad Company.....	200,000.00	200,000.00	
Total Canadian National Railway Group.....	\$240,400,420.70	\$74,535,367.00	\$165,865,053.70
THE CANADIAN NORTHERN RAILWAY COMPANY.....	\$101,000,600.00	\$1,000,000.00	\$100,000,600.00
The Bay of Quinté Railway Company.....	1,395,000.00	1,395,000.00	
The Bessemer and Barry's Bay Railway Company.....	125,000.00	125,000.00	
The Canadian Northern Alberta Railway Company.....	3,000,000.00	3,000,000.00	
The Canadian Northern Railway Express Company, Limited.....	1,000,000.00	1,000,000.00	
Canadian Northern Manitoba Railway Company.....	250,000.00	250,000.00	
The Canadian Northern Ontario Railway Company.....	10,000,000.00	10,000,000.00	
Canadian Northern Pacific Railway Company.....	25,000,000.00	25,000,000.00	
The Canadian Northern Quebec Railway Company.....	9,550,000.00	5,700,800.00	3,849,200.00
*Canadian National Realities, Limited.....	40,000.00	40,000.00	
Canadian Northern Steamships, Limited.....	2,000,000.00	2,000,000.00	
The Canadian Northern Coal and Ore Dock Company, Limited.....	500,000.00	500,000.00	
*Canadian National Electric Railways.....	250,000.00	250,000.00	
Canadian National Express Company.....	1,000,000.00	1,000,000.00	
Canadian Northern System Terminals (Limited).....	2,000,000.00	2,000,000.00	
Canadian National Telegraph Company.....	500,000.00	500,000.00	
Canadian Northern Western Railway Company.....	2,000,000.00	2,000,000.00	
The Central Ontario Railway.....	3,331,000.00	3,329,000.00	2,000.00
Continental Realty & Holding Company.....	90,000.00	90,000.00	
*The Dalhousie Navigation Company, Limited.....	50,000.00	50,000.00	
Carried forward.....	\$163,081,600.00	\$59,229,800.00	\$103,851,800.00

SCHEDULE OF COMPANIES COMPRISING THE CANADIAN NATIONAL RAILWAY SYSTEM—Continued

NAME OF ISSUING COMPANY	Capital Stock	Held by System	Owned by Government Owned by <i>Public</i>
Brought forward.....	\$163,081,600.00	\$59,229,800.00	\$103,851,800.00
Duluth, Winnipeg and Pacific Railroad Company.....	100,000.00	100,000.00	
Duluth, Winnipeg and Pacific Railway Company.....	3,100,000.00	3,100,000.00	
*Duluth and Virginia Realty Company.....	45,000.00	45,000.00	
Duluth, Rainy Lake & Winnipeg Railway Company.....	2,000,000.00	2,000,000.00	
The Great North Western Telegraph Company of Canada.....	373,625.00	35,075.00	7,050.00
The Great North Western Telegraph Company of Canada (held in escrow).....		331,500.00	
The Halifax and South Western Railway Company.....	1,000,000.00	1,000,000.00	
The Irondale, Bancroft and Ottawa Railway Company.....	53,500.00	53,000.00	500.00
The James Bay and Eastern Railway Company.....	1,250,000.00	1,250,000.00	
The Lake Superior Terminals Company Limited.....	500,000.00	500,000.00	
*Market Gardens Limited.....	200,000.00	200,000.00	
The Marmora Railway and Mining Company.....	128,600.00	128,600.00	
The Minnesota and Manitoba Railroad Company.....	400,000.00	400,000.00	
The Minnesota and Ontario Bridge Company.....	100,000.00	100,000.00	
Mount Royal Tunnel and Terminal Company, Limited.....	5,000,000.00	5,000,000.00	
*The Niagara, St. Catharines and Toronto Railway Company.....	925,000.00	925,000.00	
*The Niagara, St. Catharines and Toronto Navigation Company (Limited).....	100,000.00	100,000.00	
The Quebec and Lake St. John Railway Company.....	4,508,300.00	4,019,140.00	489,160.00
The Qu'Appelle, Long Lake and Saskatchewan Railroad and Steamboat Company.....	201,000.00	201,000.00	
St. Boniface Western Land Company.....	250,000.00	250,000.00	
The St. Charles and Huron River Railway Company.....	10,000.00	10,000.00	
The Toronto, Niagara and Western Railway Company.....	125,000.00	125,000.00	
The Winnipeg Land Company Limited.....	100,000.00	100,000.00	
Total Canadian Northern Railway Group.....	\$183,551,625.00	\$79,203,115.00	\$104,348,510.00
THE GRAND TRUNK PACIFIC RAILWAY COMPANY.....	\$24,942,000.00	\$24,942,000.00	
The Grand Trunk Pacific Branch Lines Company.....	1,002,000.00	1,002,000.00	
The Grand Trunk Pacific Saskatchewan Railway Company.....	200,000.00	200,000.00	
*The Grand Trunk Pacific Development Company, Limited.....	3,000,000.00	3,000,000.00	
*Canadian National Steamship Company, Limited.....	15,000.00	15,000.00	
*Grand Trunk Pacific Terminal Elevator Company, (Limited).....	501,000.00	501,000.00	
*Grand Trunk Pacific Dock Company, of Seattle.....	150,000.00	150,000.00	
Total Grand Trunk Pacific Railway Group.....	\$29,810,000.00	\$29,810,000.00	
CENTRAL VERMONT RAILWAY, INC.	\$10,000,000.00	\$10,000,000.00	
*Central Vermont Transportation Company.....	200,000.00	200,000.00	
*The Centmont Corporation.....	1,037,500.00	1,037,500.00	
*Bethel Granite Railway Company.....	25,000.00	25,000.00	
*Brooksby Realty Company.....	2,000.00	2,000.00	
Montreal and Province Line Railway Company.....	1,000,000.00	1,000,000.00	
The Montreal and Vermont Junction Railway Company.....	197,300.00	197,300.00	
The Stanstead, Shefford and Chambly Railroad Company.....	608,333.33	608,333.33	
Total Central Vermont Railway Group.....	\$13,070,133.33	\$13,070,133.33	
SUMMARY			
Canadian National Railway Group.....	\$240,400,420.70	\$74,535,367.00	\$165,865,053.70
Canadian Northern Railway Group.....	183,551,625.00	79,203,115.00	104,348,510.00
Grand Trunk Pacific Railway Group.....	29,810,000.00	29,810,000.00	
Central Vermont Railway Group.....	13,070,133.33	13,070,133.33	
	<u>\$466,832,179.03</u>	<u>\$196,618,615.33</u>	<u>\$270,213,563.70</u>

The accounts of Companies indicated () are taken up in the System Income Account as "Separately Operated Properties."

†One certificate for \$180,424,327.70 of the Company's Capital Stock is issued in the name of His Majesty as representing \$165,627,738.70 of Grand Trunk Stock previously held by the Public and \$14,796,589 previously held in that Company's treasury.

#\$265,628,338.70 of this amount is owned by the Dominion of Canada, \$4,585,225.00 by the Public.

REVENUE TONNAGE BY COMMODITIES

	Year 1932	Year 1931	Increase or Decrease	
	Tons	Tons	Tons	Percents
AGRICULTURAL PRODUCTS:				
Wheat.....	5,336,038	4,754,957	581,081	12.22
Corn.....	316,205	308,588	7,617	2.47
Oats.....	540,006	644,930	104,924	16.27
Barley.....	226,865	285,419	58,554	20.52
Rye.....	66,653	83,863	17,210	20.52
Flaxseed.....	35,768	36,998	1,230	3.32
Other Grain.....	42,188	48,941	6,753	13.80
Flour.....	710,544	716,143	5,599	.78
Other Mill Products.....	976,866	1,084,307	107,441	9.91
Hay and Straw.....	156,583	237,551	80,968	34.08
Cotton.....	38,247	36,825	1,422	3.86
Apples (Fresh).....	109,449	97,796	11,653	11.92
Other Fruit (Fresh).....	222,784	283,177	60,393	21.33
Potatoes.....	171,029	296,863	125,834	42.30
Other Fresh Vegetables.....	138,796	148,440	9,644	6.50
Other Agricultural Products.....	489,181	402,764	86,417	21.46
Total.....	9,577,202	9,467,562	109,640	1.16
ANIMAL PRODUCTS:				
Horses.....	20,065	33,635	13,570	40.34
Cattle and Calves.....	193,352	231,944	38,592	16.04
Sheep.....	20,287	30,965	10,678	34.48
Hogs.....	134,218	123,697	10,521	8.51
Dressed Meats (Fresh).....	192,717	228,023	35,306	15.48
Dressed Meats (Cured, Salted, Canned).....	43,407	41,436	1,971	4.76
Other Packing House Products (Edible).....	83,203	93,691	10,488	11.19
Poultry.....	24,019	23,611	408	1.73
Eggs.....	45,380	54,585	9,205	16.86
Butter.....	60,750	66,355	5,605	8.45
Cheese.....	33,316	35,374	2,058	5.82
Wool.....	17,156	23,941	6,785	28.34
Hides and Leather.....	42,831	52,923	10,092	19.07
Other Animal Products (Non-Edible).....	27,357	38,244	10,887	28.47
Total.....	938,058	1,078,424	140,366	13.02
MINE PRODUCTS:				
Anthracite Coal.....	1,423,088	1,736,594	313,506	18.05
Bituminous Coal.....	4,922,211	5,433,388	511,177	9.41
Lignite Coal.....	1,327,394	1,129,428	197,966	17.53
Coke.....	595,864	676,583	80,719	11.93
Iron Ores.....	440	5,490	5,050	91.99
Copper Ore and Concentrates.....	39,720	94,608	54,888	58.02
Other Ores and Concentrates.....	105,955	254,217	148,262	58.32
Base Bullion, Matte, Pig and Ingot (Non-ferrous Metals).....	85,182	86,686	1,504	1.73
Sand and Gravel.....	1,003,766	1,583,473	579,707	36.61
Stone (Crushed, Ground, Broken).....	679,440	1,130,515	451,075	39.90
Slate, Dimension or Block Stone.....	138,865	185,827	46,962	25.27
Crude Petroleum.....	201,255	277,998	76,743	27.61
Asphalt (Natural, By-Product Petroleum).....	89,970	119,216	29,246	24.53
Salt.....	307,198	340,042	32,844	9.66
Other Mine Products.....	634,120	866,847	232,727	26.85
Total.....	11,554,468	13,920,912	2,366,444	17.00
FOREST PRODUCTS:				
Logs, Posts, Poles and Piling.....	298,488	331,597	33,109	9.98
Cordwood and Other Firewood.....	667,789	826,312	158,523	19.18
Ties.....	30,144	70,375	40,231	57.17
Pulpwood.....	1,013,711	1,324,259	310,548	23.45
Lumber, Timber, Box, Crate and Cooperage Material.....	1,407,554	2,130,214	722,660	33.92
Other Forest Products.....	128,708	153,463	24,755	16.13
Total.....	3,546,394	4,836,220	1,289,826	26.67

REVENUE TONNAGE BY COMMODITIES—Continued

	Year 1932	Year 1931	Increase or Decrease	
	Tons	Tons	Tons	Percents
MANUFACTURES AND MISCELLANEOUS:				
Gasolene.....	1,083,281	1,217,215	133,934	11.00
Petroleum, Oils and other Petroleum Products (Except Asphalt and Gasolene).....	528,470	654,093	125,623	19.21
Sugar.....	166,606	168,705	2,099	1.24
Iron, Pig and Bloom.....	62,606	161,476	98,870	61.23
Rails and Fastenings.....	10,675	39,895	29,220	73.24
Iron and Steel (Bar, Sheet, Structural, Pipe).....	333,823	701,712	367,889	52.43
Castings, Machinery and Boilers.....	71,302	136,986	65,684	47.95
Cement.....	317,983	719,510	401,527	55.81
Brick and Artificial Stone.....	97,547	232,114	134,567	57.97
Lime and Plaster.....	148,720	228,567	79,847	34.93
Sewer Pipe and Drain Tile.....	20,797	47,315	26,518	56.05
Agricultural Implements and Vehicles other than Autos.....	38,542	66,573	28,031	42.11
Automobiles, Auto Trucks and Auto Parts.....	517,725	941,702	423,977	45.02
Household Goods and Settlers' Effects.....	25,290	36,569	11,279	30.84
Furniture.....	19,039	32,874	13,835	42.08
Liquor Beverages.....	72,319	110,736	38,417	34.69
Fertilizers, all kinds.....	237,977	334,336	96,359	28.82
Newsprint Paper.....	772,082	1,117,207	345,125	30.89
Other Paper.....	159,271	218,236	58,965	27.02
Paper Board, Pulpboard and Wallboard (Paper).....	197,922	218,906	20,984	9.59
Woodpulp.....	485,375	689,037	203,662	29.56
Fish (fresh, frozen, cured, etc.).....	51,188	56,622	5,434	9.60
Canned Goods (all canned food products except Meats).....	162,992	175,709	12,717	7.24
Other Manufactures and Miscellaneous.....	1,930,613	2,490,611	559,998	22.48
Merchandise (all L.C.L. Freight).....	1,248,338	1,608,388	360,050	22.39
Total.....	8,760,483	12,405,094	3,644,611	29.38
Grand Total.....	34,376,605	41,708,212	7,331,607	17.58

DETAILS OF RAILWAY EQUIPMENT

LOCOMOTIVES:	December 31, 1931	Additions During Year	Retirements During Year	Conversions During Year		December 31, 1932
				Added	Retired	
Passenger—Freight.....	2,553		38			2,515
Switching.....	579		23			556
Electric Locomotives.....	15					15
Oil Electric.....	3	1				4
Total	3,150	1	61			3,090
FREIGHT EQUIPMENT:						
Box Cars.....	91,665		1,610		3	90,052
Flat Cars.....	8,379		279	2	102	8,000
Stock Cars.....	4,723		162			4,561
Coal Cars.....	16,990		304	100		16,786
Tank Cars.....	236		31			205
Refrigerator Cars.....	4,464		90			4,374
Caboose Cars.....	1,853		8			1,845
Other Cars in Freight Service.....	992		245		1	746
Total	129,302		2,729	102	106	126,569
PASSENGER EQUIPMENT:						
First Class Cars.....	983		29			954
Second Class Cars.....	229		6			223
Combination Cars.....	398		17			381
Immigrant Cars.....	364					364
Dining Cars.....	103					103
Parlor Cars.....	163					163
Sleeping Cars.....	349					349
Postal Cars.....	66		1			65
Baggage and Express Cars.....	973		24			949
Unit Cars.....	63		1		1	61
Other Cars in Passenger Service.....	147			1		148
Total	3,838		78	1	1	3,760
WORK EQUIPMENT:						
Unit Cars (Track Inspection).....	1					1
Business and Pay Cars.....	79		2			77
All Other Cars in Company's Service.....	8,109	3	357	6	2	7,759
Total	8,189	3	359	6	2	7,837
FLOATING EQUIPMENT:						
Motor Ship.....	1					1
Car Ferries.....	11					11
Barges.....	9		1			8
Tugs.....	6					6
Work.....	3					3

STATISTICS OF RAIL LINE OPERATION

	Year 1932	Year 1931	Year 1930	Year 1932	Year 1931	Year 1930
AVERAGE MILEAGE OF ROAD.....	23,772.62	23,763.80	23,650.37			
FREIGHT SERVICE:						
Tons—Revenue Freight.....	34,376,605	41,708,212	54,563,272			
Tons—Non-Revenue Freight.....	6,349,523	8,350,743	10,279,836			
Tons—Total.....	40,726,128	50,058,955	64,843,108			
Ton Miles—Revenue Freight.....	12,817,508,963	14,609,738,426	16,909,909,999			
Ton Miles—Non-Revenue Freight	1,179,198,114	1,499,799,956	1,949,511,890			
Ton Miles—Total.....	13,996,707,077	16,109,538,382	18,859,421,889			
PASSENGER SERVICE:						
Passengers Carried—Revenue....	10,364,194	13,195,778	17,553,621			
Passenger Miles—Revenue.....	686,127,762	865,846,491	1,214,267,100			
REVENUES AND EXPENSES:						
Freight Revenue.....	\$120,715,007.90	\$148,951,639.00	\$183,568,268.24			
Passenger Revenue.....	17,258,919.12	23,199,737.00	32,900,932.79			
Passenger Service Train Revenue.	31,650,851.17	40,539,897.29	53,392,246.33			
Operating Revenues.....	161,103,594.45	200,505,162.00	250,968,101.60			
Operating Expenses.....	155,208,160.97	199,312,995.43	228,802,429.05			
Net Operating Revenues.....	5,895,433.48	1,192,166.57	22,165,672.55			
AVERAGES PER MILE OF ROAD:						
Freight Train Miles.....	898	1,023	1,211			
Passenger Train Miles.....	803	1,011	1,142			
Mixed Train Miles.....	164	146	148			
Special Train Miles.....	1	1	1			
Transportation Service Train Miles	1,865	2,180	2,502			
Work Train Miles.....	2,321	2,735	3,206			
Locomotive Miles—Transportation	36,954	43,277	50,289			
Freight Service Car Miles.....	5,848	6,855	8,030			
Passenger Service Car Miles.....	\$5,077.90	\$6,260.69	\$7,761.75			
Freight Revenue.....	\$1,331.40	\$1,705.59	\$2,257.56			
Passenger Service Train Revenue.	\$6,776.85	\$8,435.65	\$10,611.59			
Operating Revenues.....	\$6,528.86	\$8,385.49	\$9,674.37			
Operating Expenses.....	\$247.99	\$50.16	\$937.22			
Net Operating Revenues.....	537,138	611,609	711,187			
Ton Miles—Revenue Freight.....	586,742	674,708	793,617			
Ton Miles—All Freight.....	28,862	36,428	51,342			
Passenger Miles—Revenue.....						
AVERAGES PER LOADED FREIGHT CAR MILE:						
Ton Miles—Revenue Freight.....	22.86	21.87	21.31			
Ton Miles—All Freight.....	24.97	24.13	23.78			
Freight Revenue.....	\$0.21614	\$0.22413	\$0.23256			
AVERAGES PER CAR MILE—PASSENGER:						
Passenger Miles—Revenue.....	8.14	8.65	10.24			
Passenger Revenue.....	\$0.20475	\$0.23174	\$0.27753			
MISCELLANEOUS AVERAGES:						
Miles Hauled—Revenue Freight.....	372.86	350.28	309.91			
Miles Hauled—Non-Revenue Freight.....	185.71	179.60	189.64			
Miles Hauled—All Freight.....	343.68	321.81	290.85			
Miles Carried—Revenue Passengers.....	66.20	65.62	69.17			
Revenue per Ton of Freight.....	\$3.51155	\$3.57128	\$3.36432			
Revenue per Ton Mile of Freight.....	\$0.00942	\$0.01020	\$0.01086			
Revenue per Passenger.....	\$1.66524	\$1.75812	\$1.87431			
Revenue per Passenger Mile.....	\$0.02515	\$0.02679	\$0.02710			
Operating Ratio.....	96.34%	99.41%	91.17%			

AVERAGES PER LOCOMOTIVE MILE:

Train Miles—Freight Trains.....	.97	.97	.97
Car Miles—Freight Trains.....	38.41	39.73	39.09
Train Miles—Passenger Trains.....	.98	.98	.98
Car Miles—Passenger Trains.....	7.16	6.77	6.96
Train Miles—Mixed Trains.....	.99	.99	.98
Car Miles—Mixed Trains.....	11.05	11.00	10.07
Train Miles—Special Trains.....	.88	.93	.84
Car Miles—Special Trains.....	13.44	12.63	12.96

AVERAGES PER LOADED FREIGHT CAR MILE:

Ton Miles—Revenue Freight.....	22.86	21.87	21.31
Ton Miles—All Freight.....	24.97	24.13	23.78
Freight Revenue.....	\$0.21614	\$0.22413	\$0.23256

AVERAGES PER CAR MILE—PASSENGER:

Passenger Miles—Revenue.....	8.14	8.65	10.24
Passenger Revenue.....	\$0.20475	\$0.23174	\$0.27753

MISCELLANEOUS AVERAGES:

Miles Hauled—Revenue Freight.....	372.86	350.28	309.91
Miles Hauled—Non-Revenue Freight.....	185.71	179.60	189.64
Miles Hauled—All Freight.....	343.68	321.81	290.85
Miles Carried—Revenue Passengers.....	66.20	65.62	69.17
Revenue per Ton of Freight.....	\$3.51155	\$3.57128	\$3.36432
Revenue per Ton Mile of Freight.....	\$0.00942	\$0.01020	\$0.01086
Revenue per Passenger.....	\$1.66524	\$1.75812	\$1.87431
Revenue per Passenger Mile.....	\$0.02515	\$0.02679	\$0.02710
Operating Ratio.....	96.34%	99.41%	91.17%

STATISTICS OF RAIL LINE OPERATION (Continued)

FREIGHT TRAIN CAR MILEAGE

Class of Service	Loaded	Empty	Total Loaded and Empty	Caboose	Total Freight Train Car Mileage
Freight Train.....	1932 529,962,172	282,148,476	812,110,648	20,994,102	833,104,750
	1931 636,051,935	323,505,118	959,557,053	23,950,822	983,507,875
	1930 760,471,630	354,784,302	1,115,255,932	28,306,998	1,143,562,930
Mixed Train.....	1932 22,584,585	10,414,796	32,999,381	1,402,336	34,401,717
	1931 20,998,804	9,586,399	30,585,203	1,277,620	31,862,823
	1930 19,440,155	8,383,414	27,823,569	1,108,904	28,932,473
Special Train.....	1932 135,023	1,416	136,439	14,552	150,991
	1931 127,220	831	128,051	15,870	143,921
	1930 233,212	38	233,250	23,015	256,265
Other Transportation..	1932 5,965,566	4,354,520	10,320,086	504,138	10,824,224
	1931 7,522,541	5,028,870	12,551,411	568,877	13,120,288
	1930 9,440,934	6,372,819	15,813,753	784,117	16,597,870
Total Transportation..	1932 558,647,346	296,919,208	855,566,554	22,915,128	878,481,682
	1931 664,700,500	338,121,218	1,002,821,718	25,813,189	1,028,634,907
	1930 789,585,931	369,540,573	1,159,126,504	30,223,034	1,189,349,538
Work.....	1932 378,936	338,586	717,522	518,591	1,236,113
	1931 595,962	494,870	1,090,832	685,566	1,776,398
	1930 962,504	805,319	1,767,823	962,396	2,730,219
Grand Total.....	1932 559,026,282	297,257,794	856,284,076	23,433,719	879,717,795
	1931 665,296,462	338,616,088	1,003,912,550	26,498,755	1,030,411,305
	1930 790,548,435	370,345,892	1,160,894,327	31,185,430	1,192,079,757

PASSENGER TRAIN CAR MILEAGE

Class of Service	Passenger	Sleeper, Parlor and Observation	Dining	Other	Total Passenger Train Car Mileage
Freight Train.....	1932 3,153,741	115,387	9,746	3,324,777	6,603,651
	1931 3,084,348	139,957	13,102	3,427,732	6,665,139
	1930 3,726,563	163,029	15,181	3,726,514	7,631,287
Passenger Train.....	1932 36,430,163	35,932,365	5,232,446	42,791,342	120,386,316
	1931 44,872,830	44,167,104	7,288,257	50,017,018	146,345,209
	1930 55,250,444	52,082,570	9,078,912	56,511,256	172,923,182
Mixed Train.....	1932 5,332,924	574,118	1,025	3,142,998	9,051,065
	1931 4,734,471	162,240	8	1,863,059	6,759,778
	1930 4,973,582	35,740	2,347	1,809,058	6,820,727
Special Train.....	1932 53,803	12,347		14,524	80,674
	1931 53,087	19,887		20,309	93,283
	1930 78,557	22,572	369	17,171	118,669
Unit Cars and Trailers.	1932 2,754,594	458	70	135,271	2,890,393
	1931 2,942,399	5,571		112,415	3,060,385
	1930 2,312,717	4,986		106,427	2,424,130
All Transportation Services.....	1932 47,725,225	36,634,675	5,243,287	49,408,912	139,012,099
	1931 55,687,135	44,494,759	7,301,367	55,440,533	162,923,794
	1930 66,341,863	52,308,897	9,096,809	62,170,426	189,917,995
Work Service.....	1932 27,170	11,519	2,808	27,705	69,202
	1931 44,251	49,466	4,923	79,351	177,991
	1930 73,703	42,928	4,958	117,011	238,600
Grand Total.....	1932 47,752,395	36,646,194	5,246,095	49,436,617	139,081,301
	1931 55,731,386	44,544,225	7,306,290	55,519,884	163,101,785
	1930 66,415,566	52,351,825	9,101,767	62,287,437	190,156,595

TRAIN AND LOCOMOTIVE MILEAGE

Class of Service	Train Mileage	Principal	Helper	Light	Total
Freight.....	1932 21,357,120	21,368,995	264,755	336,924	21,970,674
	1931 24,315,542	24,334,338	330,747	420,737	25,085,822
	1930 28,650,531	28,673,328	451,270	558,034	29,682,632
Passenger.....	1932 17,397,020	17,397,020	53,983	276,259	17,727,262
	1931 22,208,921	22,208,923	69,171	330,066	22,608,160
	1930 25,486,300	25,486,314	74,974	389,445	25,950,733
Mixed.....	1932 3,895,143	3,895,248	4,402	32,368	3,932,018
	1931 3,470,088	3,470,157	3,610	36,600	3,510,367
	1930 3,495,460	3,495,573	13,120	41,048	3,549,741
Special.....	1932 15,238	15,238	1,344	653	17,235
	1931 17,546	17,546	938	299	18,783
	1930 24,390	24,396	3,718	816	28,930
Unit Cars.....	1932 1,681,366				
	1931 1,815,261				
	1930 1,510,974				
Train Switching.....	1932				2,473,229
	1931				2,841,001
	1930				3,438,823
Yard Switching-Freight	1932				8,040,851
	1931				9,786,359
	1930				11,877,589
Yard Switching-Passenger	1932				1,025,877
	1931				1,159,372
	1930				1,305,814
Total Transportation..	1932 44,345,887				55,187,146
	1931 51,827,358				65,009,864
	1930 59,167,655				75,834,262
Work.....	1932 701,004				858,908
	1931 987,153				1,235,310
	1930 1,516,431				1,799,185
Grand Total.....	1932 45,046,891				56,046,054
	1931 52,814,511				66,245,174
	1930 60,684,086				77,633,447

**COMPARATIVE STATEMENT OF OPERATING REVENUE PAID IN LABOUR
AND THE AVERAGE NUMBER OF EMPLOYEES**

	1932	1931	1930	Increase or Decrease 1932 over 1931		Increase or Decrease 1932 over 1930		Increase or Decrease 1931 over 1930	
				Amount	%	Amount	%	Amount	%
Gross Earnings.....	\$161,103,594.45	\$200,505,162.00	\$250,908,101.60	D \$39,401,567.55	19.65	D \$89,804,507.15	35.81	D \$50,462,939.60	20.11
Operating Labour.....	99,692,883.29	126,950,841.86	143,347,981.21	D 27,257,958.57	21.47	D 43,655,097.92	30.45	D 16,397,139.35	11.44
Ratio of Labour to Gross Earnings	61.88	63.32	57.12	D	1.44	I	4.76	I	6.20
Comparison of Payroll (including Betterments).....	106,911,608.00	139,784,630.00	159,980,994.00	D 32,873,022.00	23.52	D 53,069,386.00	33.17	D 20,196,364.00	12.62
Average Number of Employees...	76,616	91,416	101,046	D	14,800	D	24,430	D	9,630

**COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF OPERATING RATIO
AS BETWEEN LABOUR, FUEL AND OTHER EXPENSES**

	1932	1931	1930	Increase or Decrease 1932 over 1931		Increase or Decrease 1932 over 1930		Increase or Decrease 1931 over 1930	
				Amount	%	Amount	%	Amount	%
Labour.....	61.88	63.32	57.12	D 1.44	2.27	I 4.76	8.33	I 6.20	10.85
Fuel.....	8.99	8.55	8.46	I .44	5.15	I .53	6.26	I .09	1.06
Other Expenses.....	25.47	27.54	25.59	D 2.07	7.52	D .12	.47	I 1.95	7.62
Total.....	96.34	99.41	91.17	D 3.07	3.09	I 5.17	5.67	I 8.24	9.04

**COMPARATIVE STATEMENT SHOWING DISTRIBUTION
OF OPERATING RATIO OVER GENERAL ACCOUNTS**

	1932	1931	1930	1932-Cents		1931-Cents		1930-Cents	
Maintenance of Way and Structures....	18.70	21.07	19.11	19	21	21	21	21	21
Maintenance of Equipment.....	20.00	21.82	19.67	21	21	22	22	22	22
Traffic.....	3.54	3.76	3.46	4	4	4	4	4	4
Transportation—Rail.....	48.44	47.81	44.73	50	50	48	48	49	49
Miscellaneous Operations.....	.74	.92	1.05	1	1	1	1	1	1
General.....	5.06	4.52	3.72	5	5	5	5	4	4
Transportation for Investment—Credit..	.14	.49	.57			7	7	7	7
Total.....	96.34	99.41	91.17	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00

**COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF
DOLLAR SPENT OVER GENERAL ACCOUNTS**

**COMPARATIVE STATEMENT SHOWING DISTRIBUTION OF DOLLAR SPENT
AS BETWEEN LABOUR, FUEL AND OTHER EXPENSES**

	1932—Cents		1931—Cents		1930—Cents	
Labour.....	64	64	64	63	63	63
Fuel.....	9	8	8	9	9	9
Other Expenses.....	27	28	28	28	28	28
Total.....	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00

OPERATED MILEAGE, DECEMBER 31, 1932

Territory	*Mileage owned by Constituent Companies					Mileage of Lines under Lease or Contract					Mileage of Trackage Rights					Total Road Mileage					Spurs, Sidings and Yard Tracks
	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	Miles	1st Main Track	2nd Main Track	Miles	Miles	Miles	1st Main Track	2nd Main Track	3rd Main Track	4th & Other Main Track	Miles	1st Main Track	2nd Main Track	3rd Main Track	4th & Other Main Track	Miles	
Eastern Lines.....	3,249.97	45.82				6.41					82.56					3,338.94	45.82				859.00
Central Region (Exc. Lines East of Lewis)	7,173.93	732.60	13.36	8.69		341.11	9.31				18.20	12.50	2.13	4.10		7,533.24	754.41	15.49	12.79		2,646.28
Western Region.....	10,976.38	104.71				383.65	4.29				58.77	25.20				11,418.80	134.20				2,618.20
Grand Trunk Western Lines.....	906.92	363.18	10.56			60.06					56.14	6.33	1.36	0.99		1,023.12	369.51	11.92	0.99		822.66
Central Vermont Lines	272.71	0.54				125.18	0.03				58.80	32.75				456.69	33.32				187.80
*Total Mileage.....	22,579.91	1,246.85	23.92	8.69		916.41	13.63				274.47	76.78	3.49	5.09		23,770.79	1,337.26	27.41	13.78		7,133.94
Lines in Canada.....	21,169.28	882.47	13.36	8.69		574.42	12.49				151.38	32.19	2.13	4.10		21,869.75	927.15	15.49	12.79		5,947.84
Lines in United States	1,410.63	364.38	10.56			341.99	1.14				123.09	44.59	1.36	0.99		1,901.04	410.11	11.92	0.99		1,186.10

*Electric Lines not included.

